shareholders on a cool evening, worrying that not 51 per cent of the Bunting everyone would be able to shares at 80c a share after crush into the curtailed space being brushed off by the of the Canterbury Manufac- Christchurch company. turers' Association beside the Chairman David Scott sat chill Avon River.

worries - not on that score to speak. anyway. Shareholders turning up in person numbered but 34 but many others had exercised their proxies in favour of a man who rose, simply 929,540 votes. Chairman for his saying: "My name, sir, is last meeting Jeff Harbutt had

- was virtually a fait ac-

The issue had been opposed its by Scott Group which had just withdrawn a takeover bid for quietly in the Bunting annual The company really had no meeting and was destined not

> exercise of shareholder democracy came instead from companies.

The cognoscenti knew him So the major business of the without any further in- Lion Brewerles he had been Incoming chairman Ben make the issue, said Barnes

**EXECUTIVE SUITE** 

shareholder Thompson was trade their way out of trouble. better known as chairman of Bunting had good assets and appointed to the Bunting board

experience of takeover Thompson noted the calibre of present shareholders situations and as chairman of the board.

Internationally acknowledge to be the finest cigarette in the

dunnil The most distinguished tobacco house in the world.

Government warning: smoking can endanger health. Middle Tar

and United Building Society

Androcles defensive move A the most dangerous move at massively carried of could make was to adjourn Thompson and could make was to adjourn figure to command respect at could make was to adjourn Thompson and the any annual meeting he is also the result decrease. We control unhappy shareholder the chairman of Burkes Caterors see a cash flow of reasonable carlier asked the booking and a director of NZ Refining, proportions for the rest of the points of clarification of M O'Brien, NZ United Corp year unless we do this Barnes told another satisfactorily annul

He began to express per shareholder that a similar sonal doubts about the amount of money could not proposed issue to H.W. Smith, have been raised from the Ltd. quietly saying: "There's sharenomers, a sharenomers agreed to by H W Smith's new another mlow of interm should have a jolly good look at Judge, the tornier executive further 25c call play director of Brierley In peared as a private Companies had been able to vestments

Though he could have been two of New Zealand's biggest losses themselves could be outside the actual meeting sompanies.

As chairman of Waitaki NZ

assets in their way.

Once the is are was approved.

Induct and 4 per centage the state was approximant was in their way.

The directors had done their Judge's approximent was in the state was approximant. Refrigerating he had personal best but had they acted hastily. fact "confirmed" before problem.

meeting — a controversial troduction. Though he ap- inevitably involved with the Barnes told the meeting that convincingly. The vote was

accounts, all of to

registering their disage What will the Issue near Bunting? It will memora Lecaurum worth \$400% December 1.

With trading improved. Harbutt said sales for ten quarter were up II page

He conceded to the Exof the New Zealand open but the compulsory acquir of the Christeharch being the Ministry of Worldby set in train a series dec which have reacted a favourably on the cogge performance.

Alternative manufact tacilities had to be estable complete two new mb= Paparkura plant for boiga filling of brush stocks & Christeburch factory, kit-1977-78 three years after Anckland move, to E woodworking and pit? brushware manufactura

management was an

cerned with the hair

cope. Day to by C. drifted.

Volume dida'i wara

factories and a mouli

manufacturing to (15

church took place. We'l

Auckland plant is said will be a predicted by

provement in early relation to asset inters

Hurbert ruofully mids

once the company is slogger: "If it's a break

tings will make it." That policy went of the window with the adverted

ink and production is all impefully profitable list.
Staff has been slashed by

third. Redundancy par

relocation costs discounting of state vanish this year by the will still be strained

repayments become to

sold by then some pressure will be of

claims for claims for disturbances agains authorities should show made this year he writing was dauted he writing was dauted he writing was dauted he writing was dauted he finance operations by interest begring between the seential and Smith well wited to come to the writing directors well ooking for opportunity looking for looking for opportunity looking for looking for looking for opportunity looking for look

If the Auckland and

That meant Bundingth fadl back onto a \$1 4 dehenture, mortgage 🗀 manjor drain on finance At the same time besp

of brushes fell of mit moet market demandat relocation went about brushmakers moveden traditional Bunting 127 the relocation to and

seeking immediate relief from the effects of the increase in the price of fuel, and the Government's five cents a litre tax announced in the Budget.

Air New Zealand was before million. The 11.25 per cent the authority in August last increase will give a nett profit year, but Varcoe lists \$13,474 of \$5.5 million. million of cost increases since. But just how well is the then. Of this, \$9.28 million domestic operation doing? comes from wage and salary quite well if the superficial

corporate finance Bill Varcoe, increase reduced to \$1.4

movements including the impression presented by the year of which 3.99 million latest state servants annual latest accounts is to be general adjustment of 10.4 per helioved. cent and the Government's 4.5 Passenger numbers and per cent wage order. load factor are both up as is Other costs include the the amount of freight carried

effect of the devaluation, and the revenue earned has higher Fost Office and reached record levels. electricity charges, general Passenger numbers were up expenses plus some under-recovery of the effects of fuel only 3.79 per cent however,

prices increases arising from the interim increase on August year's increase of 6.03 per cent The airline wants recovery year before that. The four year of \$12,009 million from the average for passenger growth authority by way of an is 2.2 per cent. mercuse on faces and freight. The distance flown was up

rates averaging 11.25 per cent. 4.9 per cent over last year, Varcoe said the profit of above the four year average of nearly \$4 million for last year 3.8 per cent per annum. was achieved by higher Capacity available on a leat-

passenger and freight growth kilometre basis grew by 4.6 producing \$3 million in percent, well ahead of the 3.25 revenue above budget. But he per cent average for the last said extra cost increases four years. And the revenue totalling \$2.5 million were load factor climbed by nearly 2 absorbed in that financial per cent over last year, compared with a four year Cost increases of \$4.5 million average of just over 1 per cent since then were also absorbed per annum.

deposit between \$10,000 and \$30,000 and agents of foreign underwriters between \$20,000

As the amendment was intended to protect consumer Interests, it is arguable that retrospective in order to close the operations of under-capitalised insurance have required existing The investigation was say this is because the drafting companies to raise their

not been met. These reports The 1974 amendment raised The law reform division said the amount of the deposit to be the amendment was intended The law reform division said within the insurance industry. lodged with the Public Trustee as a stop gap measure pending a more equitable formula...bu

R Tether (Insurances) has not lodged a deposit with the Public Trustee and some members of the insurance industry say he breached the provisions of the Act by failing

But Justice Department and insurance industry sources differ in their interpretation of the provisions of the Act. One argument is that the

Continued on Page 5

60 cents

## UNIVERSITY OF JOYDAN LIGRARY olume 40, No. 31 (Issue 348) August 22, 1979

## New Air NZ fare bid shows

## \$12m turnaround

Zealand's Zealand's general manager which the 10 per cent interim application for yet another increase in domestic fares discloses a turnaround in the company's accounts of nearly

\$12 million on an annual basis. The company showed a consolidated profit of just ever \$8 million for the last financial came from profits on the domestic operation.

The letter of application for an increase goodgaing 11.25 per cent claim? now or, that rising costs since the end of March would have meant a loss of \$7.75 million but for the two increases sought from the Air Services Licensing

Air Authority, New Zealand successfully sought last month an interim 10 per cent increase in fares and freight rates effective from the beginning of

Along with Mount Cook airlines, Air New Zealand was

The company said at the time however, that its normal review of tariffs would come later, and that the first application was made only because of the exceptional circumstances involved.

Any delay in getting the interim relief was put at Shows a \$7.75 million loss services Licensing Authority's

according to Varcoe, making

#### Liquidator steps into Tether Insurance

by Rae Mazengarb has been appointed to controversy was made public.

insurance claims which had "messy".

company,

received instructions relating companies, and \$20,000-\$70,000 to the proposal to require the for foreign companies, pregistration of all brokers — a Agents of Commonwealth proposal put to Justice underwriters were required to

and \$100,000. Minister Jim McLay shortly A PROVISIONAL liquidator after the insurance industry

Auckland brokers R Tether But the department appears (insurances) Ltd. to have difficulty The move follows drawn-out administering the provisions investigation of the company of the Insurance Companies by the Justice Department's Deposits Act 1953 and its 1974 commercial affairs division, amendment, industry sources sparked by reports of large of those provisions is

While Auckland Official by companies or persons Assignee Peter Evans has the carrying on any class of task of liquidating the insurance buiness to \$500,000. the Justice But for policy reasons, Department has the more insurance companies already onerous task of looking at the registered would trade under glaring loopholes in the present legislation which regulates the industry.

The Justice Department law \$10,000 and \$45,000 for local reform division has already and Commonwealth

At previous hearings before public. the Licensing Authority, NAC

and in last August, Air New Zealand) produced only a list of cost increases alleged to have been meuried since the last tariff increase.

> Those figures were vetted Ministry which certified them

bearing in Auckland 8 as correct. An appropriate particularly interesting one. amount of cost recovery Despite assurances from followed.

both Air New Zenland's chief On each occusion, however,

executive Morrie Davis and there was no overall budget the Transport Minister Colin produced and neither has the McLachlan that the airline is authority required one despite keeping separate accounts for requests from objectors to the the domestic and international fare increases. wings, the public's suspicions - On this occasion it does not

that the increases are needed seem that Air New Zealand to prop up the international will produce a domestic wing have not been calmed, budget either - at least not in If that proves to be the case.

and with the accounts for the merged airline being presented in consolidated form, there will be precious little information about, on which to oppose the airline's application, or even to do a beforehand by the Transport proper analysis of the company's financial position.

IOVES towards a new trading partnership between New Zealand Australia have quickened in recent weeks. We find that Australia's Doug Anthony has been the main mover in the Federal Government's drive to replace Nafta.

USTICE Minister Jim McLay last week set out the philosophy behind his approach to commectica law reforms, Peter O'Brien was on hand to record the five fundamental points. -

AS we follow overseas frem into an age in which credit replaces money, th problem 'chargeabolic' must b faced. Belinda Gillespic describes how the discus can be diagnosed and treated. -- Page 2).



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## It's time for a change ... for Labour

by Colin James

ONE of my recurring nightmares is that the Labour Party will get into power in its present condition.

A one-term Government of Mick Connellys, Ron Baileys and Mat Ratas, "led" by Bill and Bob, with Richard Prebble letting off crackers and Roger Douglas dreaming up new lseas in the broom cupboard is a dismaying thought.

The first need in a Government of the 1980s will be

That implies broad agreement on the shape of society to be, on the measures to be pursued to achieve it and

It also implies an intelligent, strong public image.

The Kirk Labour Party had that, largely because Norman Kirk was the Labour Party. He stood for a decent opportunity for the small guy to live a decent life. That basic

presumption underlay his

said with befitting modesty, there is not a Norman Kirk among them now.

effort. If the leader has limited vision and inspiration of his own, he could at least coordinate and encourage others

attitude to all issues

housing, for example, in-dustrial relations, the

economy, even international

As the present leader has

The public needs to see a

Clearly see eye to eye; Can exploit their opponents

Grasp the essential elements them are Mick Connelly, d the major economic and social issues: Seem to have some idea of years to take an intelligent

what to do about them. interest in its work, and Arthur Instead, the Labour Party Faulkner, regarded by his right now looks like a colleagues as someone who shapeless, aimless bunch of windfall harvesters.



RICHARD PREBBLE . . . ANN HERCUS . . . shows

where one would expect the the 1980s. Connelly is regarded cream of its talent to be in the party as an archdisplayed, there are gathered conservative. Faulkner is not So it has to be a co-operative people of widely different remembered kindly for his ages, styles, prejudices, fallure as party president to ideologies and energies.

They are in three groups: the out-of-touch, the limited and the immobilised In the first group are several bunch of half a dozen people men nearing the end of their parliamentary life.

could take decisions.

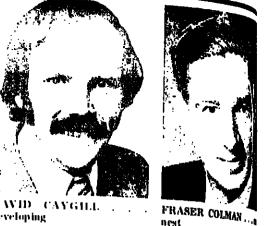
Some have had creditable Sir Basil Arthur in agriculture parliamentary and even But energy calls for the most ministerial careers. Among creative mind Labour has got: a David Lange, or a Bob remembered in the Ministry of Tizard (on his day). Works as the first minister in

worth

1977 and 1978.

Unfortunately Tizard, who can be the most perceptive critic of the Government Labour has, is less often on his day than his (numerous) critics think necessary. But both now seem more

On the front two benches, appropriate to the 1960s than sidelined in social welfare, a



DAVID CAYGUA. developing

portfolio he doesn't want. Government bacher Rowling might look at the way two of 1975 vintage - he National is using lawyers in Waring and Jan economic portiones, with Elworthy - and sort out candidacy tangles in Lange belongs to the third

group. So does clief whip Geoff Thompson. The second group, includes Bussell Marshall, one of the among others, a number of few who can get under the unimpeachably carnest and Prime Munster's skin and the conscientious men, such as best qualified at the moment. Fraser Colman in energy and for the deputy leadership

But Marshall is happier doing things than criticising them. Out of office he seems to contracting Martyn Finlay's political worldweariness.

Ideas" Who heard of ideas coming out of those two hearches? About the only one producing ideas is Roger loughas, who is operating as his own one man think tank.

Some of his ideas have ment, but I get the impression his colleagues are seared of him because his ideas are sometimes suspect on grounds. of practicability or ideology. With guidance and en-

couragement he could be valuable, (Curiously, both he and the Prime Minister smultaneously came up with the minimum hving standard concept. It was urged by Douglas's pre election tax team, but left out of the Ocul more sharpy as manifesto because it was Government's flesh thought too bard to hope title sellable form in time.

Douglas does not fit into one of the three groups. Foutlined

Nor does Prebble, the miseast justice spokesman who lives both barrels before next to no leadership getting the gun up to his shoulder, whose name is in the headlines most often, who could be a highly effective destroyer it someone gave him the right announition and aimed han in the right direction

That is what a leader is for Even with an indifferent feam certainly no beffer than Rowling has now Robert entrusted to Thard to Muldoon in opposition in 1975 Rowling trudges round was able to tear apart the

Rowling Government. lkd Muldcon in opposition been faced with his own Government in the first half of this year, he would have wiped the floor with it.

Deep divisions of attitude and ambition within the parliamentary National Party, made worse by the inflationary after-effects of last year's vote-buying Budget, lightning changes of official from the 1979 laborates lg changes of official policy suggesting Cabinet chaos, the broken promise over national superannuation

marvellous targets.

But in the Opposition wing in Parliament Buildings, instead of the excitement of combat,

the excitement of combat, the predominant atmosphere is one of smug expectation (of victory in 1981).

The most positive-feeling block in the buildings is occupied by the sort of MPs who normally are getting jaded and frustrated by now: aix papers. PERSONAL COLLECTION

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**Debt Collection** 

 Credit Control Credit Reports

tirely new thing for the union, which has kept lists of its members on punch cards for the last 13 years. These cards were due to expire next year and the time seemed ripe for a

New Zealand trade unions

hook-up.

except that the sums dealt range from \$18 to \$90 with are smaller.

insurance and possible They hinted to TAANZ agents perform a valuable agent is the same regardless of investigation of the travel insurance industry by — for example — the Consumer's travel tickets. institute might make both

TAANZ and the insurance companies appear to be acting contrary to the consumer's cancellation charges.

This month's issue of Traveltrade put the cot among

commission rate was too high.

The insurance companies

were concerned about rising

claims costs for travel

that

Traveltrade detailed the negotiations between the insurance companies and the FAANZ executive - the insurance companies. facts, expressed discomfort that these facts should have been made public.

Commissions to insurance NZI, and Commercial Union - brokers seldom run above 20

by Warren Berryman

THE Travel Agents

Association of New Zealand

(TAANZ) has been told that its

members will have to take a

cut in the commissions they

receive for selling travel

Individual travel agents now

receive 33.3 per cent com-

mission for selling travel in-

TAANZ receives a 21/2 per

cent commission on all travel

insurance sold by its members

The total commission of

nearly 36 per cent is far higher

than average commissions for

other types of insurance

To pay this the insurance companies load 56 per cent on

to the premiums paid by the

The three leaders in travel

insurance — Comprehensive,

insurance

insuranco.

from the

companies.

Robin Gray, Ian Mcker

and achievement in that?

paritities been of the hay

these people, among a

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Government's recogn

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Ann Hercus is beging

show her worth on theat

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giving the key ported

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yesterday's half-reneits

In the meantime, the

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off in all directions at an

Where do Mel Courte

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run and Richard Prebia

last Gent quant

suggestion fit into lay.

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Bruce Barclay.

bench in place of the

That does not augur

And Eddic Isbey, a lib

philosophy?

they are short

porliamentary years

on his side.

expenditure committe

kleological direction.

There is a sense of gran

on the way out.

system.

ployers, annual accounts and

The main saving, says secretary Brian Alderdice, will be in time. Members who call up for progress reports on disputes, queries about wage rates or any other routine business will get the answer in minutes, rather than the hours or days it previously took union staff to wade through the

Alderdice also sees a more intensive communication with members. News bulletins and notices of meetings can be typed once into the computer and emerge individually addressed and ready for mailing

"It used to take us about two weeks to send out new information. Now we can do it in

per cent. The travel agent's per cent for selling a point-to-role in selling travel insurance is similar to that of a broker travel insurance premiums

TAANZ faces cuts in insurance commissions

acknowledge that the travel The work required of the selling role. The agent is in an the size of the premium. ideal position to sell this type of insurance together with suggested a sliding scale, so a

Covers provided by travel insurance include those for fiddly policies, and a lower theft or loss of personal rate on the large policies. belongings, medical The insurance companies expenses, personal accident, generally feel commissions airline strikes, and

To sell travel insurance, the agent might tell a few tales will resume next month, when about skyhigh medical costs in TAANZ has its board meeting the United States, or the Spokesmen from the

insurance companies said thieves in foreign lands. Travel agents collect the savings achieved from premiums and turn in a reduced commissions would monthly bordereaux of not be passed on to the policies written and premiums - consumer collected to the insurance premiums e o to panies. This But, claims costs were rising administrative work is also of for travel insurance due to

value to the insurance such factors as escalating medical costs overseas Despite the selling service increasing number of provided by the agents the exaggerated or suspectedly insurance companies feet fraudulent claims and airline commissions of 33.3 per cent strikes. The savings therefore are too steep. Travel agents would be used to hold future

receive commissions of only 9 premiums at a lower level.

depending on the type of cover The insurance companies and the length of the trip.

> higher rate of commission their customers. would be paid on the small and The 33.3 per cent comcompanies to individual travel agents, can be understood in a commercial sense as payment should be cut to 20 or 25 per

for services rendered. The 21/2 per cent commission, or "over ride" Negotiations with TAANZ paid by the insurance companies to TAANZ cannot

be understood in this same Travel agents do all the work selling the insurance, collecting premiums, and preparing the bordereaux, so why should TAANZ receive

anything, NBR asked the three insurance companies. Spokesmen from the insurance companies pointed out that TAANZ used this

money to provide order and stability in the travel industry. For example, they said that

TAANZ executive director TAANZ Peter Lowry has cautioned through NZI bonding its fellow executives on the need member agencies. In effect, for their organisation to this cover gave the industry a appear to be acting in the sort of fidelity fund — a consumer's best interest - consumer's guarantee against

specially now that TAANZ is default by a travel agent. leading a campaign against But the insurance company the Link Association's travel spokesmen did not explain spokesmen did not explain deals which pass considerable why they, and not the airlines, discounts on air travel back to hotel industry, or the agents them selves, should pay for this

system -- however desirable mission paid by insurance It is understood that trave insurance premiums total between \$2 and \$3 million a year. This would bring at least \$50,000 a year into TAANZ colfers — with no obvious direct benefit to the insurance

> TAANZ lost a court case to the Commissioner of Inland when TAANZ was ajudged to be liable to pay income tax as an earner of assessable income from "outsiders" rather than the "mutual society" TAANZ claimed to

Consumer's Institute investigating commissions paid to travel agents and TAANZ for travel insurance It would appear that there is no

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— lan Moaes Menaging Director On Premise Laundries

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the size of your business, chances No Ironing needed are an OPL system will save you

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simply a matter of folding laundry

eliminates the need to iron

#### Shop union manpower yields to computer

by Mary Varaham

IF THE Canterbury and Westland Shop Employees' Union is anything to go by, the days of trade unions working out of old, dingy offices with bulging file drawers and overflowing card files may be

Not only is this union, along with several others, now housed in the semi-sartorial splendoor of Christchurch's new Trade Union Centre, it has also this month gone on-line to CBL Holdings computer

Under the new system, all details of the 4500 members will be instantly available on printout. So too will such information as relevant award clauses and provisions, details of current and past disputes, names and addresses of em-

subs in arrears.

to all members

But there is a strategy in the national exec the increasingly sudility of president, Jim Anderso. Perhaps for the dullard me the bricks will all fell by

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place next year.

diange. The new system — a first for

includes an in-office visual screen and printer. The initial outlay, for the machines, was \$7000. The cost of programming is not yet known but will probably be about the same. Charge for access to the computer is based on usage. with a \$250 per month minimum. Alderdice expects aderably higher, but says this will be determined by whether the country's other shop employees' unions decide to leap aboard. Moves are underway to persuade those in Wellington, Auckland and Dunedin to join in a national

Ironically, automation such as this, and its potential to put people out of work, has become something of a railying cry for unions recently. Does this signal a change of heart?

"The system won't put people out of work," Alderdice daims. "It will actually take as many people to keep the operation going as before. "It's just the nature of their

work that will change.' The shop employees unions in their present form, emerged slowly and painfully through the amalgamation of dozens of small unions in the last decade. Now, in technology at least, they look like becoming

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Page 6 Good news for the out-of-towner





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#### **EDITORIAL**

THE Government marked the end of Conservation Week by announcing that native timber would be freed from price control — a move which is expected to curb the wasteful use of native timber and ensure that available supplies are reserved for premium use such as furniture.

The conservationists nevertheless continue to fight a hard campaign to preserve forests such as Whirinaki. Business interests, not surprisingly, are hitting back.

The chairman of Auckland-based sawmillers and timber merchants Henderson and Pollard Ltd, CW Pollard, told the company's annual meeting it was "guite amazing that a handful of misguided environemntalists think they have the divine right to close up for stagnation the entire native forests of New Zealand". The conservationists, in fact, want to preserve what few forests remain.

Pollard continued: "I would ask what right they have to take these national assets out of production under the pretext of preserving a few birds, bees, spiders and mosquitoes." Thus he glibly dismissed concorn for dwindling birdlife. Ten per cent of the world's birdlife now threatened with extinction are New Zealand species.

Pollard's concern, however, is that the Mingingi sawmill depends on logs from the Whiranaki forest, and Henderson and Poliards is a joint owner of the mill. And Pollard considered it his "civil duty" to advise shareholders that the Minginul sawmill was reaching full production, but that if environmentalists stop felling in the forest, the sawmill might have to close.

Timber Merchants' Federation President R McNeil, supports the Whiranaki State Forest management plan. He describes it as logical and balanced, recognising both the ecological and productive value of the native forest. But he is concerned that the South Island might not be able to supply the national demand for high-grade timbers from its present reduced resources; enormous freight costs would be incurred in railing native timber north; and a rise in demand for imported timbers would cost millions of dollars in overseas

New Zealand Furniture Manufacturers Federation president J. W. Reeves warns about rising costs (through the necessity to import); and a loss of jobs in the furniture industry and lack of growth in skills which are vital to the continuation of the furniture industry. He argues that furniture manufacturers conserve overseas funds by diverting demand from imported timbers. And he argues that consumers are not interested in furniture made from exotic timbers (although a Forest Service survey of the larger North Island furniture making enterprises, published earlier this year, shows that 84 per cent of the timber used for furniture is radiata pine; and only 7 per cent of the country's dressing grade native timber is used for furniture manufacture.)

The consumer, indeed, looms large in anti-conservationist considerations. "It is good sense to translate a little of our unique native forestry resources into our city environment." said McNeil. "The New Zealand public is surely entitled to en joy the beauties of our native timbers not only in the forests but in the towns and cities."

Reeves insists the consumer wants high quality furniture at prices he can afford, "thereby enabling him to enjoy a part of New Zealand's environment in his very home."

Earlier this century, consumer demand for hula feathers (for women's hats) contributed to the bird's extinction. Carless days are a more modern reminder of a resource that is fast drying up.

Consumption and conservation are incompatible. And businessmen must accept that by putting consumer demands foremost, what remains of our native forests must be further exploited if not destroyed - and acknowledge the environmental consequences.

Bob Edlin

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THE news that Martinborough citizens are thinking of putting fluoride in their milk poses

some interesting questions. Will it still be "white milk" under the Milk Act? Or a "fundrink" along with flavoured milk, and therefore outside the scope of the Milk Board?

The freedom-of-choice lobby, which opposes water fluoridation, would be far happier if fluoride went into

water. Children who take drinking. fluoride in some form from 0 to 14 years do. So why not satisfy everyone

and simply fluoridate milk? There are a few snags. Children vary in their milkdrinking habits from the 'yuk'' faction at nothing a day, 🤺 to those who gulp it by the litre. Would some form of school milk be reintroduced?

Or would one order it direct from the milkman in a specially marked bottle?

At school, enforcement on non-milk lovers would be a out who was to get fluoridate and who would get plain milk FOR years before it happened, could cause a few headaches. the prospect of a certain Tom Or if the Borrow Milk Skinner being given a Foundation, which has offered knighthood in the next Honours to help Martinborough with a List was regularly being pilot scheme, proposes to raised by the news media. fluoridate the whole milk supply, the free-choicers will At this stage, it's only dinner remaln unsatisfied.

emain unsatisfied. party gossip — but in certain Parents have generally circles Sir Tom Skinner has proved unreliable in getting been tipped as the next their children to take fluoride Governor General. n tablet or drop form.

Interest is bound to wane in a as the most Machiavellian of form of medication which has Muldoonian moves, or a slap in to persist for 14 years to give the face for the National Party maximum benefits. The same Establishment. would presumably apply to milk, in a scheme which for at job to a Labour man would least the school holiday part of - certainly even the score as far the year depended on parental Swiss and American trials forever those who accused the

with fluoridated school milk PM of putting a National's yesmissed out children below the man in the position. age of five. This meant there Sir Keith and Sir Tom both was no benefit to the milk teeth enjoy humble origins, and or the first permanent teeth, began their lives as errand which are those most prone to boys, though their political decay.

paths diverged to the right and Against this, it's much left respectively.

cheaper to fluoridate part of His acceptance of a job on said one, "but it's the only way they rang Avisto all it

the milk supply than the whole the Shipping Corporation ANYONE Adults don't get healthier water supply, of which less board, a knighthood and Government Adults don't get healtmer water supply, or which less than 1 per cent is used for retirement from the FOL into September on the per cent is used for retirement from the FOL into September on the per cent is used for retirement from the FOL into September on the per cent is used for retirement from the FOL into September on the per cent is used for retirement from the FOL into September on the per cent is used for retirement from the FOL into September on the per cent is used for retirement from the FOL into September on the per cent is used for retirement from the FOL into September on the per cent is used for retirement from the FOL into September on the per cent is used for retirement from the FOL into September on the per cent is used for retirement from the FOL into September on the per cent is used for retirement from the FOL into September on the per cent is used for retirement from the FOL into September on the per cent is used for retirement from the FOL into September on the per cent is used for retirement from the FOL into September on the per cent is used for retirement from the FOL into September on the per cent is used for retirement from the FOL into September on the per cent is used for retirement from the FOL into September on the per cent is used for retirement from the FOL into September on the per cent is used for retirement from the FOL into September on the per cent is used for retirement from the FOL into September on the per cent is used for retirement from the per more dignified activities have using Mani gas, as per given Sir Tom the aura of an by Faergy Minister Ma Establishment figure, who even mixed with the Royal ROB Muldoon, media basher. Family omong the pages of the official, the Govern Prime Minister, and weekly

WITHOUT WORD OF A LIE

iournalist, should find it easier

The colour: pink.

his next column in Truth.

Sir Keith, reported to be in to recognise the trendy lefties noor health. Imishes his term from broadcasting in future. as Governor General in Oc. Rob Muldoon returning The Association of Broadtober next year casting Journalists have Officials, naturally, are issued new membership cards.

Woman's Weekly recently,

new appointment will be any but more of an There's gotta be a connounced spiracy in this somewhere. Perhaps Rob will break it in THE working time of highranking American executives is precious, particularly when

they are on their inevitably

brief visits to this corner of their empire. Some people thus go to extraordinary lengths to secure a needs more time to say Now it's happening again.

correspondent computer matters was flying options. up to Auckland the other day when he ran into two directors of a computer consultancy.

They were on similar This could be viewed either errands. Our man was to m. live up to their abo-Jerview Edson de Castro president of US computer Auckland - at least at nanulacturer Data General, one of their diens 🕏 while the consultants wanted a - cerned. Offering the country's plum Talk with de Castro's travelling A couple, complex companion, vice president active four-yeared; Barry Fidelman as the major political parties

Immediately they acrived. are concerned, and silence though, the consultants began with an overseas in scanning the departures board. It emerged that they visit friends in this had flown up simply to coin but on the excit eide with an Anekland departure found if flight on downtown Auckland Wellington Fidelman's schedule and talk from Avis offices - 1 is to him on the plane.

"It sounds crazy, I know," Not keen to miss the

(Matrice)(Autoropassymichenbrathenentill)

Im still recovering

from our previous

How about a union?

revolutionary tendents, respectable US compan pretty Avis girl's reply. vice-president and Recalled respectively Fig. "We don't have time." came the rejoinder. Apart from that, and de Castro is too not the prospect of emptying a full oincidence. boot onto a busy Auckland he said. street at rush hour didn't really appeal.

Incidentally, far bein

us to impute kit;

next overseas jaunt

One problem is tri

Liquid Fuels Trust &c

waiting for some an

data and won't be abless

its report by the Age

Another, is that the:

steering group, with rat-

Treasury, Trade and by

Energy and the PMc

the financial and pr

implications of their

AVIS Rental Cars dicti

direction".

deadlire.

to get a cab to the sirport." And they did - \$14 worth and left the car where it was and the keys at the Avis desk at Auckland International. is in for a disappointed "We try harder — be According to a high damned," said the irate father when he got back. now unlikely to min annotincement until

October, after Princip THE carless days scheme promoted with all the best ntentions — is turning out to And even then, al be something of a farce. keeping quiet about when the official, "it won't bear It's expected the scheme will

help, perhaps another car just

tyre," came the (presumably)

"Why don't you change the

to get them to the airport.

lead to little more than a 2 per cent saving in petrol con-We wonder if that will be because of the large number of exemptions already granted to

those fortunate to be in the right kind of jobs. The Energy Ministry has so for refused to say how many exemptions have been granted, and we must therefore be

forgiven for suggesting that number could be somewhat high.

Take those listed in the second schedule of the Economic Stabilisation Regulations (No 2) as "essential users" ... doctors,

milk vendors, taxi drivers, security service operators, vets, funeral directors, and, of course journalists ... and that's just the beginning. Then there is lots of scope for

businessman who has his own hard a day and night 04% Anckland before 😂 seven davz a week.

who queued up for an exemp- Tobey

tion sticker — he got his without too much trouble was somewhat bemused by the reasons offered by the chap in front of him.

This bloke was also seeking an exemption sticker because he raced saloon cars,

"Oh, well", said the Post Office official, "I suggest you 'Well I'm sorry you'll have write to the Ministry of

> WE record herewith an almost cryptic telegram received the other day from Auckland (with no name to identify the

"Your reporter Helen Vause requested information about Metropolitan Life Assurance Co of NZ Ltd share investment in the Continental Cigar Co Ltd.

Answer yes. "Reason both companies were established from the office of Brown Woolley and Graham chartered accountants at approximately the same date Metropolitan Life's investment in

of that company's capital. "Metropolitan total share investments including Continental represent .12 per cent of their total assets.

"There are two commor directors. "Any distortion of the facts

will be the subject of

It seems this information was volunteered after Vause became interested in a Metropolitan Life Assurance communy brochure.

The brochure asked what is the relationship between smoking and life assurance: Inclusion of the And Vause wanted to find out. She quickly learned that is company and of course, works you don't smoke. Metropolitan Life will give you a cheaper But one of the many hopefuls deal on your "clean air" life

#### Tether company in receivership

Continued from Page 1

broking company is exempt from the provisions because of what might now be seen as a loophole in the drafting. The argument is based on a difficulties administering the restrictive definition of underwriter"

Others say Tether Insurances is well and truly

caught.
But all agree Tether Insurances would be liable if it had been underwriting insurance in its own right .

A group of London-based underwriters have put up a deposit but failed to do so, a fact that passed by

the department unnoticed. A departmental official said the intention of the Act is not to require a double deposit, just ensure someone pays it.

He admitted there are great Act: and where the facts indicate a prosecution should follow, it is not clear who has the responsibility of laying that prosecution.

It seems the Act has so far been administered losely, in the underlying belief (or hope) that the insurance industry would not throw up a case which would reveal the shortcomings the



Dragged himself to the 'No' lobby in the debate on stelevising Parliament, grunted approval of the result, and

healthler environment". member who said: "We the USA via Honolulu. introduced it to encourage The travel bargain hunter

people to stop smoking." More music to the clean air

But — as the telegram shows there's a spot of two-timing afoot in this happy relationship between smoking and life assurance.

Metropolitan Life Assurance has a small shareholding in a local cigar manufacturing

It's only a shareholding, agreed, but perhaps just enough to taint the sweet idealism of that clean air broch ure.

tried to promote tourism to in as many months.

Metropolitan Life, says the Zealand can do about Conbrochure, is "giving a positive tinental's latest marketing incentive towards improved ploy to boost Australasian public health and making our tourism to the United States.

contribution towards a cleaner Continental is offering 14 days unlimited air travel in the Music to the non-smoker's confinental United States for

can get thousands of miles and many meals thrown in on top of his 14 days and \$190.

Continental's ads feature the American eagle saying: "Yep, that's chicken feed", and that great American revolutionary, "That's a poultry sum".

Fourteen days air travel at \$190 is poultry-feed indeed, compared with the rapidly rising domestic air fares in

this country.
In New Zealand, \$190 will take the traveller from and Nafta is thriving. Auckland to Wellington (\$56);

But there is little Air New employing the knee-crunching (the free trade list).

tactic favoured by the cutprice airlines it claims to number of items that should despise by shoving seats closer result in bumper export together to get more paying sardines into the can.

Continental entered the New Portland cement, petroleum Zealand market with great ears. The policy is selling well \$190. The offer is open to plans to promote New Zealand too, according to a sales staff anyone flying Continental to as a destination, but failed to making, agricultural falling place many burns on southbound seats. Possibly this is submersible pumps, hearing because New Zealand is not exactly the "Woolworths of travel destinations".

So maybe the flow of traffic will be reversed.

SO you disagree that Nafta is a George Washington, saying: far from adequate vehicle for promoting free trade between Australia and New Zealand (one of the complaints behind the current bout of political talk in favour of a free-trade zone or customs union)? Well, maybe you're right

Why, only the other day now accepts. on to Invercargill (\$79); and Trade and Industry Minister only part-way back to Lance Adams-Schneider AIR New Zealand stopped Wellington again -- at least announced that agreement Continental Airlines dead in its after Air New Zealand gets its had been reached between the tracks when the Americans second domestic fare increase. New Zealand and Australian Governments on yet another Continental is under 4 per cent these cloudy isles with cut-rate. In addition to its fare in-list of goods for inclusion in creases. Air New Zealand is Schedule A of the agreement

business for Kiwi exporters such as glace fruits, white jelly, certain glass articles. machinery used in wineunder tariff heading \$1.28 housings and motor cycles ...

NATIONAL Business Review of July 25 carried an article on the Securitibank affairs on pages 8 and 9. In the article it was stated that the Official Assignee, Mr E A Gould would oppose the appointment of Mr C E Sturt as a liquidator for Securitibank. The article, further said Gould and Sturt also have a long standing

personal enmity.

Mr Gould told us that this is untrue, which Fourth Estate

We apologise to Mr Gould the Official Assignee and withdraw any implication that in performing an official function as an officer of the Supreme Court he was motivated by any personal feelings or that he held such



controls seismic bracing standards for suspended ceilings. AHI Monocoustic panelling is one of the lightest systems available. Fibreolass Monocoustic ceiling provide. How to take advantage erent design features. Therefore also one of the safest

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They also insulate against nots having a range of NRC values between 51 and 85 Natural acoustic properties dampen sour

Fibreglass cuts and shapes quickly to go around ducts and fittings. One of the advantages that helps make the original installation feet

Finally, some points about

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make the original installation less and cheap.
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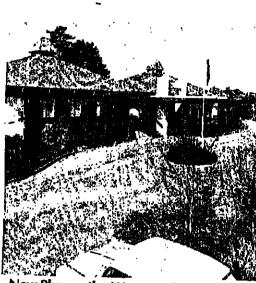
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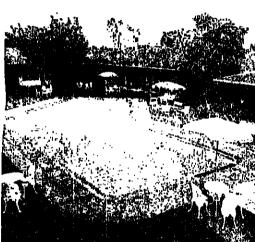
Auekiand office: Editorial, advertising as Stelevising Parliam inquiries: Werren Berryman Telephones of it is a dozed off again."

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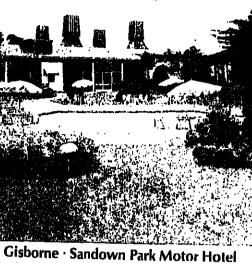
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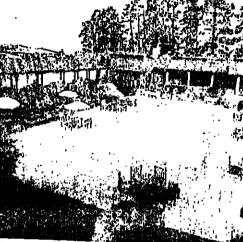
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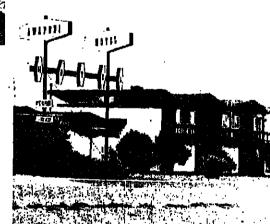
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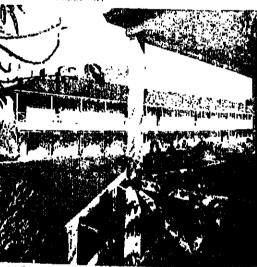
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## Forest shrinkage favours NZ

hy Rae Mazengarb

LONG-standing neglect of forestry policy internationally should enhance New Zealand's ootential as a wood exporter toward the year 2000.

World-wide demand for forest products is spiralling, but the area in forest is shrinking by some 11 million hectares each year.
Yet around the turn of the

century, New Zealand's forestry industry could be producing nearly four times the present quantity of wood, with some 70 per cent annual wood supply - around

Future has already made this observation in the first of a series of booklets, "New Zealand in the Future World". The first booklet, "Resources and Technology Sustainability," attempts to set the basis for public

Zealand's opportunities and options in the resources area. The Development Finance Corporation is also undertaking a comprehensive study of all aspects of forestry to find the gaps in the op-portunities available to us.

Still some months from completion, the forestry study wood during the 1980s. will be a long-term view: It

surged to 40,000 hectares by rapidly expanding pulp and the middle of the decade. Working on a 30-year growth

ready for harvesting for export tree plantings.

at the turn of the century. According to the British at the turn of the century. According to the British
If New Zealand exploits Forestry Commission, tree

favourable position. On the international scene.

mission has been plugging sumption of wood for all away for years, attempting to get the message across to the Nine's governments, there has consumed in 1976 is projected have or will have in the future

cubic metres by the years 2001-05 and 33.4 million cubic metres during 2006-10. By those years we will be reaping the benefits of the this year in bills for purchases of wood and wood products.

heavy plantings of the inid-Today's industries are using trees from the first planting boom during 1925 and 1937.

until 1960, when it was in-creased dramatically, but the

Yet in some countries there

has been a dramatle fall-off in

export possibilities, the planting in Britain last year country will be in a highly reached barely a third of the 18.000 hectare target.

forward in forestry 1990s.
management and planning. With 70 million additional
According to the (London) people requiring housing each

long-term.

latest publication.

wood supply.

burning).

Financial Times, neglect of year, the demand for lumber forestry planning will cost - still the universal building Britain alone 2.5 billion pounds material - levies an evergrowing claim on the world's

Its local production accounts
now for only 8 per cent of the principal fuel in the And in the EEC as a whole, growing populations, is rapidly

The world demand for wood-

Commission outlines While the woodlands of the seeds of commercial Africa, Asia and Latin wisdom have yet to take root. America are being stripped Though the tiny forestry away at the rate of 11 million division of the EEC Comhectares a year, world con-

been little incentive to go to reach 4 billion by the mid-

countries with the fastest Planting dropped down to the annual bill for such imoutstripping the sustainable less than 5000 hectares a year ports is second only to that for yield of local forests.

The United Nations Food pulp for newsprint and paper is fall-off during those years will and Agriculture Organisation also growing, though the effect lead to a shortage of exotic recently forecast that by the of the electronic age for turn of the century world storing and exchanging in-But the annual planting rate output of soft woods will fall formation may have a marked will assess the resources we of 18,000 hectares in 1970 short of demand from the effect on this trend.

forestry options FORESTRY, for export is not to commit substantial forest the only path New Zealand areas to the production of could take after the turn of the transport fuels for internal

century. But because trees use, then the first take a long time to grow, management option would be forestry planning must also be appropriate.
long-term. Three management options possibilities. New Zealand would be well placed if it opted for New Zealand's radiata pine plantations are outlined in the

Commission for the Future's fast growing species in New It adopts the suggestions of New Zealand forester W Sutton, who undertook an extensive study of the world's since the price of clearwood or forest resources and concluded there would be shortfalls in world markets is substantially more per cubic metre than The options are: currently fetched for the

• Grow trees for pulpwood and or energy chould fuels or country's framing timber. If the shortage does not eventuate, the timber could still be used for log export, · Grow trees for framing framing timber or pulpwood buildings or logs for export. Not only does New Zealand Grow trees to produce a have choices about the quality of timber produced, but also wood which is of high quality choices about the extent to

produce substantial quantities export. The booklet identifies some of these options. of lower-grade wood suitable Discussion pertaining to the for pulping and energy native species is held over for According to the com-

which timber is processed for

#### Futurists attempt to prove worth

and their utilisation after the

New Zealand's average

projected to reach 24.4 million

Future publication, Resources and Technology: Sustainability", appeared publicly this week, the first in series New Zealand in the future world

The booklet was informally launched last week when the fortably ensconced in the newly-opened National Provident Building, overlooking the Parliamentarians' future playground - hosted seminar and lunch

Wads of information, plaining both the role of the series of three booklets and the commission itself, were handed out for journalists to muse over until the embargo

was lifted (ive days later. But remarks made informally by some of those present betrayed more than a little scepticism about the planned effectiveness of the

in 1977, obviously has a great

budget of just under \$250,000,

by John Draper

RISING jet fuel costs are

adding another argument in

Wellington's runway to handle

The short runway is costing

Air New Zealand an extra \$2

million because international flights, destined for Auckland,

must carry sufficient fuel to

DC10 planes.



to its chairman, Professor James Duncan, it has the advantage of being permitted during its task of assessing long-term trends developments both ternationally and within New

Though established as an An accompanying paper commission is appealing for independent body, according points out that New Zealand is the answers

Zealand's own options for the

the decision-making process. Zealand's future".

Fuel costs favour Wellington

JAMES DUNCAN . . . in-

to sight confidential material

The first booklet focuses on agriculture, horticulture, natural resources and the forestry, liquid fuel producpossible influence of new tion, tourism and nature technological developments on those resources, looking both at the world situation and New add value to the products of

Cutting out the emergency

supply for the extra 400

kilometres between Wellington

Wellington and Auckland in

the case of Christchurch

terminating flights across the

and Christchurch

the big jets burn more fuel on a normal journey.

DC10s to be able to land under normal operating conditions.

Tasman, would produce significant savings not only for Air New Zealand has already estimated that keeping its three remaining DCs to maintain the capital's

at least an extra 200 metres for \$4 million a year.

Wellington's runway needs Tasman air link open is costing

The first booklet focuses on

It does not attempt to predict The commission's role is to what will happen in the next 30 assemble and disseminate years, nor to suggest what we information about New should do. Rather, all three • How Zealanders will be drawn into discussion about New resource processing?

well endowed with natural As to whether it is a resources, particularly worthwhile exercise, or a production Government gimmick - only But while these give a wide the future will tell.

range of options for the future. we should look at the long-term social implications when planning for their use. For instance, our huge natural gas and coal reserve give us options of self-

sufficiency in transport fuels industrialisation and-or the export of energy. But coal and gas will run out eventually and society will have to look to our abundant renewable resources, including forests, fisheries, water and land ...

The paper also poses ke discuss the issues raised in the booklets".

For instance, on land use How should we allocate land amongst competing uses including traditional

add value to the products of New Zealand? In what

Zealand's future in such a way booklets in the series "attempt tralisation affect the intensity

normal operating conditions.

Meanwhile Transport

Ministry economists are putting the final touches to a report for Minister Colin

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managed in this way will also

mission, if a decision is made

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#### Anthony acts as prime mover in establishing Tasman trading bloc

OVERSEAS TRADE

Daily Telegraph have called

for political union with New

Australia's major

manufacturing lobby, the Confederation of Australian

Industry, is hard at work on

Officials of the Canberra-

based confederation have been

working for a year and one

describes the effort as "very

intense". He expects that it

will take another year to finish

"The problem with Nafta is

that it is built around ex-

ceptions and the objection

procedures are too easy to

"It is too cautious, too

CAI president Sir Max Dillon

met Rob Muldoon when in New Zealand last April, a week

"It is my personal view that the two countries need to be

after Anthony visited and discussed trade with Muldoon.

closer together" Dillon said.

The issue was first raised

early in 1978, when Brian Talboys visited Canberra and

met Malcolm Fraser. Since then, Anthony went to

Wellington, Fraser discussed it with Hugh Templeton at the

UNCTAD conference in

Manila and Muldoon and

Fraser talked again at Lusaka.

There has been a number of

views expressed over the last

year that Australia should help

out New Zealand. The attitude

has been slightly paternal, but

industry leaders realise that it is not just a matter of baling

out New Zealand. There is a realisation that New Zealand

economic health is essential to

Australian industry in view of

the fact that New Zealand is

Australia's largest customer

useful comparis

Tasmania, which is in even

worse economic shape than New Zealand and is dependent

on a narrow range of products.

It is possible to argue that

Farming groups no longer see New Zealand as a threat. In fact Australian National

Farmers Federation

spokesman Alec Norquay believes economic union should be followed by some sort of political tie-up (section 12) of the Australian Constitution allows for admired the constitution and constitution allows for admired the constitution and constitution

stitution allows for admission

of new states by act of Parliament).

In the mest market, lamb and pork are already on Nafta's zero duty list and beef

has only a minor tariff, thus an almost free-trade situation

aiready exists in these com-

的推进中的TECTION

te e seign región a est

were Tasmania not within the Australian economy, it would not be a viable unit.

for manufactured goods.

apply," says the CAI official

narrow. We need something

more ambitious."

Australia

AUSTRALIAN Deputy Prime Minister Doug Anthony is the main mover in the Federal Government's drive toward negotiating a new trade agreement with New Zealand. It was Anthony who suggested the setting up of the Australia New Zealand Businessmen's Council, which represents a wide range of banking, transport and manufacturing corporations in Australia.

The council has already had two meetings and has as its main objective the major expansion of trade between the two countries.

Anthony spoke to the council in July and said: Trading blocs are the name of the game today. Nafta simply won't be able to meet our needs in the years ahead.

'There can be no doubt that the shape of the association between Australia and New Zealand, and the formal arrangements on which it is built, will be of critical importance in the difficult years ihat lie ahead".

The significance of Anthony's role in this matter, which could lead to the formation of a free trade area or customs union, is that he is the leader of the Country Party in the Government coalition. His support signals that the Australian farming groups are no longer fearful of New Zealand agriculture as a competitor on the home

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The only farming group that The setting up of such free would complain is the dairy trade arrangements is being men. Australian cheese sells taken extremely seriously in for much higher prices than the local product in New Some go further: The Zealand, so cheap New Deputy Labour Party leader, Zealand cheese would Lionel Bowen, the Australian seriously undermine Financial Review and Sydney Australian producers.

In all, though, there is serious commitment Australia to the massive advancement in trade and the further interlocking of the two

Options crystallis politicians attempt to overcome Nafta by John Draper and Rae Mazengarb

POLITICIANS both sides of the Tasman are shoving hard to roll the Nafta obstacle from the path of closer trading

Zealand Australia Free Trade Agreement has undoubtedly possible, for example, to buy developing trade between the played an important role in

But there have been represent more than six rumblings from the Australian side at the lack of progress in widening tariff-free trade for

The last round of talks in March, was described as a "big yawn" by Australian In Geneva, the multilateral trade negotiations finally

reached agreement after years of talks but left New Zealand and Australia with little benefit. Both are disappointed that word developed to include year, are quadpatriate, (athere was little progress in manufacturers and opening up world markets to Government from both sides).

chestrial products

The result has almost been goods was put in soit woming there had been a coming the coming there had been a coming the complex to th predictable. Australian meaning those includely Deputy Prime Minister and become tariff free a Trade Minister Dong Anthony certain period. has made strong statements indicating the need for a new and D - developed by Later other scheduls look at the Tasman

quantitative residu reflecting the differen arrangement Overseas Trade Minister sizes and to Brain Talboys and Prime manufacturers a ug Minister Rob Muldoon, though exporting without by more cautious, have taken the same view.

The options, being studied by officials in both countries, are numerous. The freeing of trade could take the form of free trade area, customs union, economic positive stance, rathr t

Reforming Nafta to fulfil, its aims to produce a genuine free trade area could be the first Nafta has become bogged down in its own bureaucracy. Talks, which are held twice a

community, or a type of

Officials became aby conceding little or adia yeto by one side menting And in March, Australian of the proposal, at lati manufacturers made their that round of negotiation Adjusting the schedule views clearly known at the

negative, may again pta

life into the agreement

But Australie

manufacturers have by

clear they are no b

interested in the New 125

The smallness is inthi

New markets in South

Asia, though initially 🛭

have far greater potentia

market to that extent

which allows a country to set its own customs barriers, is a and still developing trade full customs union. and still developing trade groups. Australia tried to join The European Common Market is an example of a full

trans-Tasman economic relations

Limited Free Trade Area:

good and bad points. allow the Tasman neighbours union across the Tasman. to trade freely between each

rapid growth and greater types have developed since types have developed since Sir Frank says his of selling in a wider 1945, from the EEC to preference is for a free trade unrestricted market and the Comecon, the Communist trading block.

The Department of Trade and Industry last week gave

definitions of terms being used in the discussions of closer

This describes the present situation under Nasta where

tariffs have been, or are being, reduced to zero on selected

products traded between New Zealand and Australia, but this

trade may still be affected by import quotas or other trade

Umiting arrangements. Each country retains its own external

tariff and other trade policies applying to the rest of the

Asean, the grouping of Singapore, make the free trade says Malaysia, Beyond a free trade area. Thailand, Philippines and arrangements work equitably Indonesia, is one of the bigger and still developing trade

and still developing trade

Although work equitably and effectively... but was rebuffed.

New Zealand Planning customs unions, both for the Holmes has long advocated a Such an agreement would free-trade area or customs internationally competitive.

"The problem with Nafta is front to the rest of the world. the complete freeing of trade". Trade blocs of various he says.

area, with harmonisation of greater stimulus of gradually

the rest of the world.

Full Free Trade Area:

applying to the rest of the world.

A situation in which torriffs and trade barriers are removed

on all products traded between the countries involved. Each

country retains its own external tariff and other trade policies

A free trade area, but with a common external tariff and

common policies in other respects applying to imports from

Economic Union or Economic Community:

improve living standards and sustain full employment here Council chairman Sir Frank depends on more New Zealand

The gradual elimination of

tariffs and "other policies intensified competition from where this is necessary to Australian producers", he Sir Frank also observes that

the political climate in New Zealand seems to be more view that our capacity to conducive to a bold move Not only have recent statements from Deputy

enterprises being Finance Minister Hugh Templeton been positive; Opposition Leader Bill other but to present a common that there is no timetable for the Tasman would help in this. favourably about closer most barriers to trade across. Rowling also has spoken would offer a Tesmon links (though he has combination of opportunities been unenthusiastic about

A customs unlog, but with additional provisions allowing for the free movement of people, capital, factors of production and co-ordination of various aspects of economic policy and development strategy. In situations where this extends to the co-ordination of monetary, fiscal and exchange rate policies, and the adoption of a common monetary system, the term monetary union' is sometimes used.

Can be applied to either the customs union, economic union or economic community situations.

making too-rapid changes). of GATT, it would probably be necessary for New Zealand to Sir Frank views as an essential requirement for real make numerous downward both Governments to free As a result New Zealand trade in most products over a competition from defined time period — say 15 vears — in accordance with an

manufacturers of third agreed plan embodying countries as well as from While economic union would involve further sacrifices, it

But he warns of the dangers could be advantageous to both of procrastination, whether it countries in their adoption of common policies in specific timidity" or bureaucratic areas such as agriculture.

So far our politicians have not come out strongly in favour of any one of the restrictive trade practices. suggested options for the future, but there is general Future research should be

developed in Nafta.
Yet both Australia and New Zealand have to take a wider Pacific view. Templeton has said, since neither country can expect much from the global He sees a free trade area or

customs union coming within the next decade.

principles on which the

through

The New Zealand Institute of Economic Research outs for a "packaged approach" to an unrestricted free trade area. In a report released inst week the institute said a customs union would involve both countries in adjusting their external tariffs to a

A package free trade approach is suggested to

directed at improving trans-

agreement that a plateau has Tasman transport services. New Zealand removing import controls on Schedule A Items and tailoring export incentives for Australian concessions, and relaxing business restrictive practices in both countries.

But echoing the warning of Sir Frank Holmes, action is "now urgently required", said

"Australia is continuing to strengthen trade ties with action, then the invaluable chance of a coordinated twocommon level. Given the nation approach to common generally higher levels in New problems may be lost for a Zealand and the provisions very long time".

open minded at this stage.

Chief executive officer of the

New Zealand Federated

Zealand could produce and market several products,

especially dairy produce and lamb, to its advantage.

But McLagan points out his

organisation would aim not to

compete for an existing

market, but rather to expand

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Any project - custo built units to multiple dollar complexes-IST experience and

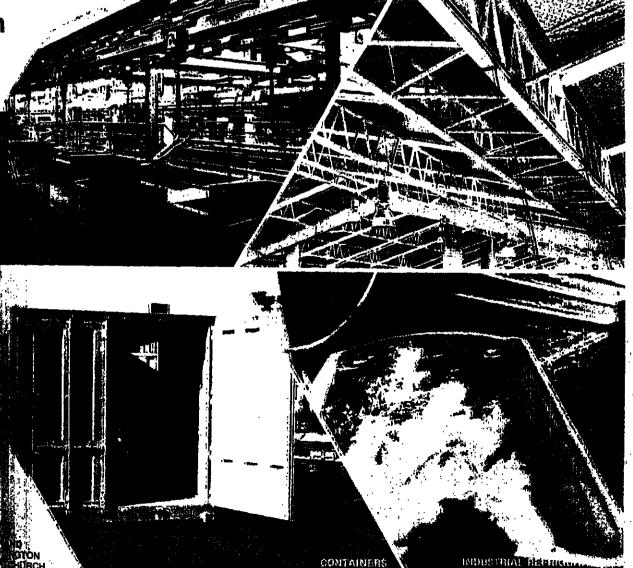
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#### Manufacturers optimistic

by Rae Mazengarb

MANUFACTURERS on both sides of the Tasman are now Farmers' Union, Rob optimistic about the prospects McLagan, has said that New

For years New Zealand manufacturers fought the freeing of trade for fear they could not compete with the

Yet today manufacturers make up 25 per cent of New

Manufacturers' Federation as big as Sydney would provide has not yet adopted any formal position over the vertex.

While the population of cities as big as Sydney would provide a large market

formulating a stance. Economist Wayne Coffey is preparing a paper on the range wheat industries.
of possibilities which will be Australian wines of Australian Industry and our climatically at an advantage, own export and trade relation yet the New Zealand wine

It is expected the loading.

It is expected the loading.

Good, popular Australian wines, suddenly available at half the price would be a threat making process.

level, but they appear fairly Australian counterpart.

position over the various op-tions, it is in the process of products such as flowers and products such as flowers and fresh fruits, economic union could threaten our wine and

committees for their con- buyer pays dearly for them sideration later this month. due to the present high tariff

will insist on being centrally to the wine industry here.

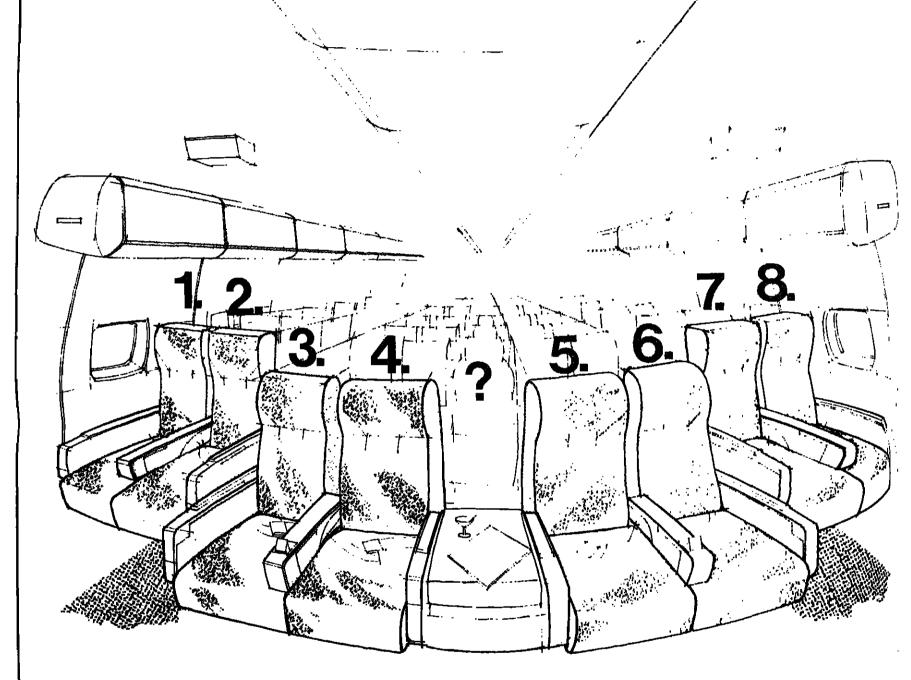
involved in the decision. Likewise the wheat industry which supplies our internal Primary industry groups requirements could suffer have not discussed the free from the flow of wheat across trade concept on any formal the Tasman from its huge

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## Unions and investment curbs worried Germans

WEST German politicians and business leaders — being encouraged by the New Zealand Government to invest in this country — have baulked at our overseas investment policies and industrial

The nature of their misgivings was spelled out in talks with New Zealand Cabinet Ministers and departmental officers in Rotorua in October last year.

That was just before the general election — and the West Germans raised the question of a change of in-Labour Government.

The spectre of Compleo also loomed over the discussions. The Comalco project at Bluff was given as an example of Australian raw materials being combined with New Zeniand energy resources. The such a combination had been the point of the aluminium smelter now operating in New Zenland.

Whether they were told the nature of the Government's were not announced until last renegotiating the contract and changing the basis on which power was supplied to Comalco is not known.

New Zealand's immigration another problem area.

our investment policy was per cent equity holding. But under review under the National Government Visits by trade union leaders

to West Germany were Talboys put the suggested as a means of rule in a historical perovercoming industrial spective, and related it to

turers Federation president Jim Knox should visit West that each case was judged on

Germany.
The visit by the West German political leaders last year has been followed up this year by visits from teams of which developed its industry, by visits from teams of scientists and businessmen. No significant investment deals have resulted from the

Minutes of the Rotorua meeting perhaps give a clue to why the West Germans have overview to be produced later. not been as eager to invest as the New Zealand Government has been eager to welcome

West Germany's Minister for Economics, Otto Count von Lamsdorff, and New Zealand's Minister of Foreign Affairs (Brian Talboys). Minister of Regional Development (George Gair) and Associate Minister of

Finance (Hugh Templeton). Others present were Dr G Sohl, of West Germany's Baron von Heereman, of the German Farmers Association, H O Vetter, of the German Trade Union Confederation, D I Gamble of New Zealand's Trade and Industry Depart-

Ministry of Energy. . The meeting was aimed at identifying areas of potential economic co-operation bet-Germany.

**Broadbank** tor Securities Trading

TV2 newsmen last week made public the West German points of disquiet.

Talboys was asked by TV2 to confirm if the minutes reported his statements fairly. He was also invited to appear on the news programme to comment on the disclosures.

But he said he would have nothing to do with the news item because it was based on material which the TV2 team shouldn't have in its

Instead of discussing the important points raised, he apparently called in the police to investigate a leakage of The minutes show that New

overseas investment policy by the time the West German businessmen arrived here in

mission arrived More liberal overseas in-

vestment guidelines in fact Dr Sold first raised the question of restrictions on

investment in New Zealand at the Rotorna inceting. He noted that Germany was The West Germans were told not always interested in 100

> the so-called "25 per cent rule" in New Zealand. Talboys

certain political views on Interestingly, Manufac- foreign ownership. He emphasised that the rule might seem restrictive, but that in practise it was not and

> its merits. He emphasised that New and not merely bought up facilities which already had been developed in New

These criteria would be reinforced further in an

Lamsdorff noted that Germany had no fixed ideas about maximum levels of equity participation in industry. But he remained concerned about the apparent 25 per cent limit.

Talboys said the key question was where automaticity stopped.

He explained that no approvals were required for investments up to 24.9 per from 25 to 49 per cent were Federation of Industries, considered on their merits in regard to their benefit to New Zealand; and proposals over 50 per cent required investigation as special cases.

Lamsdorff raised the question of Labour ment and I D Dick, from the Party attitudes. He wanted to know what investment in the future was likely to be.

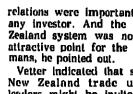
> Talboys explained that whatever the Labour Party said before an election, its attitude could be different if it won the election.

> He said that basic changes which had been occurring in the economy had been forcing changes of policy attitudes.

Templeton indicated that the Government would be preparing an overview on

By the time the business mission arrived in New Zealand, the review should be completed.

West German trade union leader Vetter raised the juestion of labour relations.



THE EUROPEAN VIEW

This might affect possible between the two countries, he

not be overcome overnight. flculties.

gained the impression from New Zealand to fidy up its not prepared to accept foreign ficult?" investment policy before the investment sllently, in view of raised the question of New current economic cir Zealand's immigration

Lamsdorff said labour

relations were important for any investor. And the New Zealand system was not an attractive point for the Ger-

Vetter indicated that some New Zealand trade union leaders might be invited to Germany.
The Germans would actively

ternational discussions, such as when New Zealand trade union leaders were visiting Europe.

One of the New Zealand officials suggested that if investment co-operation problems were to arise in industry, it would be useful if trade union experts of both He saw an English tradition countries could get together Zealand hoped to review its in our trade unions. This could early to resolve such dif-

And Vetter said he had Lamsdorff raised question of New Zealand's talks with trade union leaders immigration restrictions. Templeton said it was up to in Wellington that they were describing the issue as "dif-

restrictions, describing the

enter this country.

And he said there were potential was another investinent target.

Templeton indicated New Zealand should take particular note of the point made about migration difficulties in relation to developing joint ventures and foreign in-

The West Germans had their altention drawn to a number of investment prospects. A priority area was iden-

lified as the yield of energy (including wood) and further development in fishing ven-

New Zealand's exclusive economic rose was mentioned. The West Germans were told the total potential barvest of fish in the zone had not yet been assessed accurately.

the resources of the zone, and

lle pointed out it was not possible to help with development if skilled people could not example of the way this could

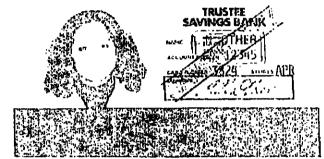
Referring to the growing and said exploration of resources would reach out also into the southern waters surrounding Antoretica.

New Zealand's large forest potential was said to be another investment target.

The visitors were told that two large forest areas would be available for cutting in the mid to end 1980s, and the end use of these forest areas had not yet been decided.

Another area for possible investment was (urther development of food processing and processing of primary products

engineering sector in New There was a need to measure an area for investment by







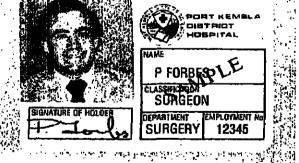












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# 

## McLay sets framework for commercial reform

JUSTICE Minister Jim McLay

McLay gave the annual dinner of the Finance Houses Association a statement of his philosophy last week. The sceptical would say his generalities have to be judged against a background of Government action in the areas to which he addressed

McLay's comments could come back to haunt him if philosophical principles.

first was the currently popular enunciation of belief in private enterprise — an appropriate starting point since the address was given to the nation's financiers in the panelled dining room of the Wellington Club, under the portrait of back of McLay's head as the port did the rounds.

people examine current and private enterprise and free education can thrive and has this country had a more circumstances...then to future government legislation competition; and the firm prosper to the benefit of the urgent need for the skills, better provided by them to conviction that it is the private whole community." sector that is more efficient

and better able to handle most McLay had five points. The have learned nothing else, in the years since 1935, we are now aware of the danger of bewhiskered early president should be no more than to enter areas which the State Brandon gazing severely at the create the necessary con- has marked out for itself.

ditions within which com- McLay elaborated his first

A fine principle, which could be applied usefully in the field enterprise particularly of transport licensing, the commercial enterprise. If we ability of private enterprise to compete with the Railways, the State-owned airline, and allowing an all powerful state McLay meant existing comlocal body transport. Perhaps merce, industry etc to the "The Government's role extent to which they do not

ort did the rounds.

merce, industry, the principle: "at no time since the belief in professions, art, literature and the days of the early settler."

ingenuity and drive of the operate in the mante individual entrepreneur".

True, and certain to be supported by those en- homes for people or ball trepreneurs who have tried to administrative and bea work their way through the bodies which regular maze of approvals, reports, inter-departmental committees, and paralysed ministers who are empowered drawing attention in to decide whether there is an "urgent need" for particular skills, ingenuity and drive.

McLay's second principle related to a "clear awareness marketplace. But of the role that the State should - and more important should an unfortunate general not - play in controlling and plication, which her regulating business affairs". usefully examine in He believed that the State

should do no more than define the boundaries within which the private sector can operate. "There is no doubt that in certain circumstances rules provides more and being are necessary for the and working confi-protection of the public and greater investment and

sometimes for the protection production and expets of the commercial sector it-He then referred to the has wide reaching dist Finance Houses Association once referred her &

support for the Securities Act, received the accepts which would ensure that the public is properly informed in tooking for a phase investment matters, and that, "as a result, the reputation of socialists when the 21 legitimate, safe investment loss and capitalisment

There would be little quarrel ith the Sceneith Annual Consults of the Sceneith Annual Consults with the Securitles Act, but promote "efficial" McLay could usefully bring his profitability", white philosophical point to the at- with it the proposition tention of his brethren holding inefficient and mps he portfolios of Transport, Works, Trade and Industry, Overseas Trade (in the field of a limited number of licences to Lord Chancellor of the export particular types of produce, which the lin- "That he should come the cenceholders often present badly, and Immigration drying to fit an overseas person into the entegories of desired immigrants).

McLay said his third point was his personal many and his third point was his personal many of the first and around the first a

was his non-acceptance of the proposition that "private industry and commerce (being concerned as they must be with efficiency and profitability) are incapable of colleagues. acting in a socially responsible

Good stuff, which might be pointed out to his leader when the latter is next prompted to wave sticks at whatever target may be attracting  $\overline{\mathbf{h}}$ is

The fourth McLay principle was self-regulation. "I believe regulation and control — and I think we all accept it in certain

control industry and q McLay was, of the

references to the year's composition of the Sear trading in the managing Commission, a body o director's review, it is imcomprises people who possible to calculate each or have operated in division's performance. Anyone with a knowledge of sophical principles

Application of that pix

imitation from polica

"businessmen with

should be neither early?

McLay quoted Lord Dir.

who said of law reloan

with halter around his is

the first and avoid

SHELVI

All shelving and

SPECULUO

SHELVING CEA

National Bank

Base Rate

is 91/4%.

The National Bank of New Zealand Limited announce with effect from 17th August 19 its Base Rate for lending.

The National Bank

nor supported?

housebuilding and related activities are depressed, and likely to remain that way for Finally, McLay balit philosophical confiden an improvement in the per-"That it is an efficient formance of our land and profitable private sectr: housing division". But what do they make of the

couraging increase in turnover farming" (NBR emphasis). was achieved by obtaining a market for builders' supplies, by extending our activities into local areas of trading not previously pursued and by expanding our export markets

Key indicators

Consumers Price Index -- all groups base Dec 1977 - 1000

Registered Unemployed — inci those on special work schemes

NZUC Share Price Index

Reserve Bank Share Price

Building Permits Issued

total assets of \$80.5 million and a turnover of \$109 million.

ports were 24.2 per cent higher in value than in 1978, before First is the question of taking account of exports

associate companies involved one looks at Odlins' tax in furniture manufacture provision. The company had export of logs and wood chips, pre-tax trading profit of and other diverse activities. \$1,320,003, compared with The report has a chart breaking the group organisation into five main \$3,895,806 in the previous year. The tax liability was \$1,262,461, or 29.16 per cent of pre-tax divisions, and a list of associated companies. But paid \$803,219 in tax (20.62 per cont), after taking in a stock sales are lumped into a global total, and, apart from vague adjustment allowance o

The statement of accounting principles has the usual comment on taxation: "The charge for income tax is the the economy understands that amount of the estimated tax liability calculated at the company rate of 45 cents per \$1 some time, although they are told Odlins' results "reflected after making allowances for concessions, including expor market development ex penditure, export incentives investment allowances and general statement about total development expenditure group turnover: "This en- relating to afforestation and

There is a considerable larger share of the reducing difference between a concession for export marke development expenditure and expenditure "relating to afforestation and farming", but

Previous per cent Year change

1047

\$67.7m \$1106 7m \$934 7m

46,894

326 09

1372

1177

\$1120.1m \$1443.5m \$932.2m

51,084

346.73

July 1979

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divisional accounting. Odlins is engaged in industries ranging from land development and housebuilding to electrical appliances, and has

no reader will discover which

provided which amount of tax

The group reveals expenses and that is a credit point. The statement of expenses shows that materials services and

8.9 per cent over 1978, com- \$3,553,699 last year. pared with a 10.9 per cent lift in The company may be taking

lurnover, excluding sundry action now to refinance that income. Salaries, wages and money, and will find any new other items connected with funds more expensive than the remuneration went up 9.4 per amounts shown in the balance cent, so the group imposed sheet. tight cost controls. Odlin sheet reflects the changing trading patterns in Odlins'

industries. Rises of \$6 million in both current assets and 10.5 to 12.75 per cent current liabilities are broken (\$1,960.947). down fully in the notes. The movement in current assets contributed \$1.2 million, the (\$1,501,800); 11

"sundry expenses" increased from \$1,819,920 in 1978 to

sources.

Odlins' interest rates on The structure of the balance sheet reflects the changing listed in three groups: between 5 and 7.5 per cent (\$257,952); 8 to 10 per cent (\$712,154); and

Interest rates on registered debenture stock at balance related particularly to a \$4.1 date were: 6.75 to 8 per cent million increase in stocks, of (\$2,847,248 — happy days); which "timber and joinery" 9.75 to 10.5 per cent Zip Industries subsidiary \$1.83 (\$3,811,400); and 11.5 to 12.5 million, and Tingeys \$840,000. per cent (\$1,326,755). Those Holdings of housing and land rates are unlikely to be seen were down \$500,000 on the this year unless Odlins has a previous year. Debtors moved fairy godmother-father, and up a reasonable \$2 million new funding will increase the from the \$16.8 million in the current interest bill.

Total interest payments last On the liabilities side, year were 2 per cent of turncreditors increased \$4.2 over. If the company can lift million, while the current turnover significantly this portion of term liabilities went year and in 1980-81, it may

schedule of debt repayments flow will rise substantially in each of those years, unless debt is financed from Interna

reasonable financial shape, but the return on funds has funds last year, after allowance for minority interests in group profit compared with 9.27 per cent in 1978, 15.65 per cent in 1977, 14.21 per cent in 1976 and 17 per cent back in 1975 (more happy

over that period with a conreserves, but the return on shareholders funds has deteriorated significantly in real terms. Trading profit after tax is still \$1 million the state of the econom

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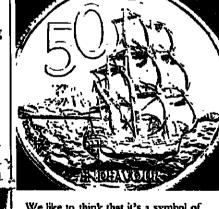
UDC has provided money for machinery and facilities totalling many millions of dollars so that New Zealanders can face the future confident that their power and manufacturing requirements are well



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the timber industries ensuring that operators have the equipment to manage our timber resources efficiently and wisely.





our role today . . making every dollar do big things for New Zealand. Whenever you think of they help you and New Zealand's future: --

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Exploration New Zealand is blessed with many resources — but more must be found, developed and utilised. Once again UDC is

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For both the convenience of

New Zealanders and the ever

expanding influx of tourists,

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and hotels throughout the

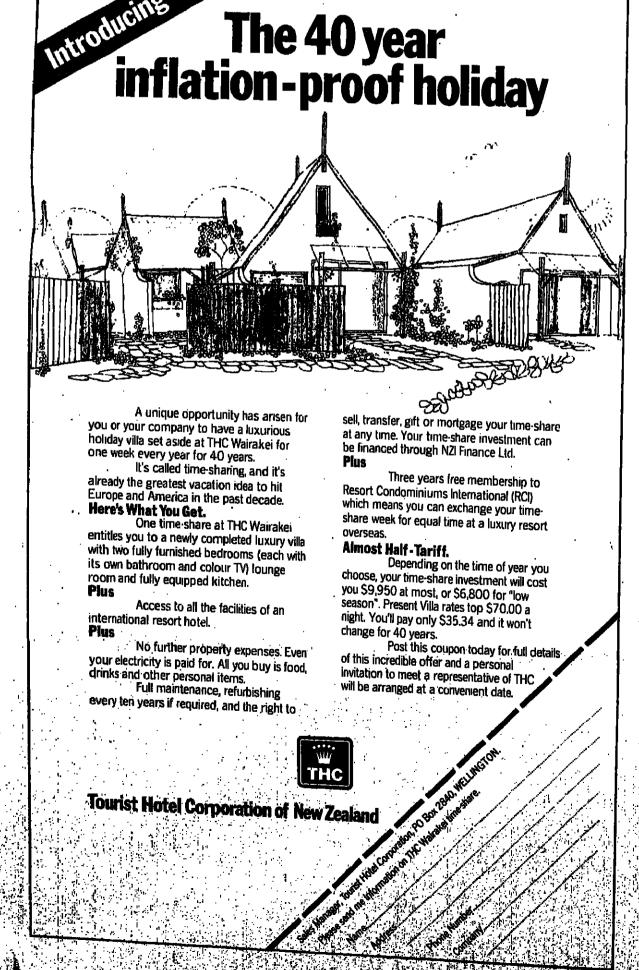
**UDC** in Commerce

financing inland travel, motels

throughout New Zealand have called on the

financial help o UDC - and benefitted.

Making every dollar do big things for New Zealang



## Retail sales follow erratic growth pattern

technique which removes the effects of price inflation.

Solution in the appliance sector, a lift in the appliance sector.

March of that year and March, straight dollar terms) 6.8 and compared with 10.7 per cent in hardware builders hard spend any increase in 1979, and 7.1 per cent on a 5.6 per cent respectively. The March, calculated on a similar ware, and paint show that the December to December quarter basis.

The relationship between the June and March quarters of each year may lead to the conclusion that real sales are improving, but that comparison has to be considered with reference to probably affected sales. the sizeable downturn in the second quarter of 1978.

The early part of last year was a bad time for retailers.

struck from a depressed base,
The department's analysis of staff, and adout fancy footwork in many justment to lower demand.
System types and it is impossible to work out which possible to work to work out which possible to work to wor the overall 4.8 per cent lift on a

1.1853

1.8381

1.0099

1.5468

5.3001

4.2762

5.1735

36.79

13.37

29.46

217.58

Australia

West Germany

Britain

Austria

China

Denmark

France

Greece

ltaly

Hong Kong

Fiji

by Peter V O'Brien
GROWTH of retail sales may be levelling off.
The June quarter figures released by the Department of Statistics last week reveal an erratic pattern when total store turnover is related to constant 1974 dollars, a technique which removes the local marks in recent months (a local marks).

The previous year) and represent goods. The latter changes regularly, so the replacement goods. The latter changes regularly, so the resising to know the effect of weather on that store group. Chemists enjoyed an 18.6 per cent sales increase between June 1977, and June 1978, worker on the nation's weekends

That group scored an impressive 22.3 per cent lift in deal to oil bypoin and renovator is still a familiar still in the mation's still a familiar still in the resising to know the effect of weather on that store group. Chemists

former seems to have two general components. First is buyer resistance to offset the

of furniture and furnishing A 21.3 per cent change in for new dwellings (well down

Exchange rates As at August 16, 1979 \$1NZ is Malaysia Netherlands

2.0203 New Caledonia & Tahiti Norway Pakistan Papua-New Guinea Portugal Singapore South Africa 66.19 Sri Lanka Sweden

Western Samoa

Switzerland

Commercial Interiors

a 27.6 per cent movement cosmetics have on the figures?

June quarter of 1978, as percentage changes, footwear. Chemists' sales rose 6.1 per remain unanswered. But the against 3.8 per cent between and apparel increased (in cent between June and June, regular solid increases in

dollar sales over 1978, even parent by September High better than the meat suppliers October tax cut t with the advantage of prices based on the export trade. The quarter of the cales corresponding increase in the Retailers will lee it Total sales increased 4.8 per cent movement at the other end of the between March, 1978, and 1979.

Those questions have to between March quarter was 20.9 per difficult period it to cent, when compared with the cent.

Chemists' sales rose 6.1 per cent movement to between March, 1978, and 1979.

Chemists' sales rose 6.1 per cent movement to corresponding increase in the difficult period it to cent.

## the massive increase in leather prices, which creates because to offeet the street of the leather prices, which creates because to offeet the leather prices, which creates because the leather prices are the leather prices and leather prices.

higher prices of the footwear.
Secondly, a declining adult population over the last year

THE market has overlooked the fact that the preliminary The apparel section is more report from Brierley Incomplex. The population vestments Ltd is due in Ocfactor may play a part, but a tober. The considerable relatively mild winter (which publicity given to the activities should show up in June of Christchurch-based H W quarter) could affect clothing Smith Ltd, under the executive ment in all aspects of the sales. Retailers in that direction of ex-Brierley man economy. Then the famed for statistical group are cuiting Bruce Judge, may have

statistical group are cutting notorious, depending on one's viewpoint) economic stimulation worked through to the stores.

Between June, 1977 and June, 1978, retail store turn-level; for example men's suits.

Bruce Judge, may have something to do with that.

But the master is still in operation, in case anyone has forgotten. (Support for the New Zealand Ballet Company should have reminded the level; for example men's suits.

Bruce Judge, may have something to do with that.

But the master is still in operation, in case anyone has forgotten. (Support for the New Zealand Ballet Company should have reminded the level; for example men's suits. over fell 6.2 per cent in real level; for example men's suits.

In real level;

of \$2,738,000.

It can be assumed safely other London interests. that a Brierley "anticipation" But the average cost of

the sale of shares where return until the time is aphave done alcely from products from & Brieries sold out to competing propriate for a move.

Brieries sold out to competing propriate for a move.

Some of these buying accents a share on 1972's capital an organisation and control of the con

category, as does the deal done Brierley) in New Zenland.

the optimum in

It is reasonable to expect the announcement of a deal in New Zealand soon. My pick would be a company operating in difficult industries, with a strong asset structure, and trying to move into fields outside its traditional business. So start examining

cent over the 1978 June solid increase in profitability, when the company announced share, but Brierley scrip has issue at a premiur he overall 4.8 per cent lift on a June to June year.

Unadjusted statistics are

The interim report said the directors anticipated a profit company whose main asset the global "all store types".

The market is a combination of the London directors anticipated a profit company whose main asset the global "all store types".

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The market is a combination of the London directors anticipated a profit company whose main asset the global "all store types".

The market is a combination of the London directors anticipated a profit company whose main asset the global "all store types". produced. They show an unwhen the holding was sold to in the region of 50 cents a shareholders with

But the average cost of those multiple is about 4.8. The the previous and is conservatively based, and shares was probably low, dividend yield is down to 5 per. The shares by the therefore a profit in excess of Brierley built up a stake in the cent, on the basis of last year's at present past 1-\$3.8 million, and probably past the \$4 million level, should be announced some time in Ocmany other targets. It is Few shareholders invest in the the famous and the The group has done well in common for the group to sit on company for a dividend yield, and partake of the 2. two areas, capital profits on an initial holding for minimal although old-time investors bonus, in the fem del

pany's share of net profit in tivities might even go back to of \$500,000 to 12 cents on directors can be placed the 1960s when the principle of \$4,400,000. holds a large proportion of the buying into asset rich companies was a relatively new greater. The company made 14 a new item of isolic concept in most countries and The Kempthorne Prosser concept in most countries and cash, bonus and specified shareholders, enletter saga comes into the first unheard of (except for

in London with the Corn Ex-change. The company said several "small" deals in nothing about the profit from Australia, each of which each of those transactions, but probably put about \$250,000 in

The earnings of trading companies in which Brierley Investment has large shareholdings will also boost group profit for the year to June 30. Cyclone Industries, City

Realties, and Welgas are three companies whose profits will Then there will be dividends from those shareholdings which as yet have not been revealed (a prospect which can disturb the sleep of company directors in poorly

performing but asset rich organisations). It should also be remem bered that Brierley's activities are a continuing movable feast. The report due in October relates to a year which will then be substantial months. Business is still going on, and the current year should have started well.

The company has been relatively quiet in recent months; but examination of share sales in companies with a low price and substantial net asset backing for the units suggests that positions are still being taken. At the time NBR went to press no atatements have been made in this area but group executives are unlikely to be sitting around



At \$2.40, and an earning rate cynical,

share, the price-carnings financed from because

The capital gains are ballerina's leg might

THINK THINK .... THINK ....

COMPUTER LINE PHONE Auckland 769372 Wellington



R. A. JARDEN & CO. STOCK AND SHAREBROKERS Members of the Wellington Stock Exhaust

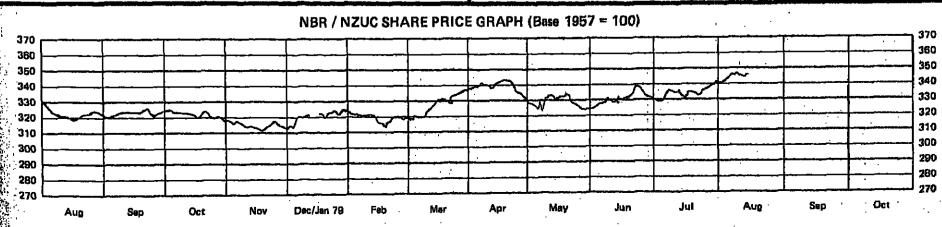
9th Floor B.P. House Cnr Waring Taylor St & Box 3394 CPO Walling Customhouse Quay, Wellington, New Zealand Cables, Portions



#### NBR SHAREMARKET SURVEY

**WEEK ENDING AUGUST 16, 1979** 

979		# o	Week's High	Week's Low	Dividend %	Reported	Dividend	P.E Ratio	1979	ž ot	Week's High	Week's Low	Dividend %	Reported	Dividend Yield	P-E Ratio
### U 0 0 0 0 1 0 0 0 0 0 1 0 0 0 0 0 0 0 0	AIGNOFR, SUC  AJA G.T.M.  A.J.MITI  ALLAN, SUC  A.M. J. MITI  ALLIED PARKES  ALLIED PARKES  ALLOY STEEL  A.M. BISLEF, SUC  A.BEAVEN  A. SPANHOHAL,  A. WHICHI  A. OARNII  A. LILL  A. THUR YATES  ASHEY BENGH  A.M. C.A.  AUCOCRAY HOLDS  WALLIE, SUC  BALLIES, SUC  CAPITAL LIFE, SUC  CAPITAL LIFE, SUC  CAPITAL LIFE, SUC  CAPITAL LIFE, SUC  CAPITAL BALLIES  CAPITAL BALLIES  CAPITAL BALLIES  CALLIEB NG.  COLLABOR  C	2100 1125 125 2100 1125 125 2100 1125 125 2100 1125 125 2100 1125 125 2100 1125 125 2100 1125 125 2100 1125 125 2100 1125 125 2100 1125 125 2100 1125 125 2100 1125 125 2100 1125 125 2100 1125 125 2100 1125 125 2100 1125 125 2100 1125 125 2100 1125 125 210 1125 125 125 125 125 125 125 125 125 12	105   130	105 225 225 225 226 247 277 210 81 310 310 310 310 310 310 310 310 310 31	13.5 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1000 1200 1200 1200 1200 1200 1200 1200	NQ 7-6-10040-8-2-3-6-6-7-3-5-3-6-6-8-2-3-6-6-8-2-3-6-6-8-2-3-6-6-8-2-3-6-6-8-2-3-6-6-8-2-3-6-6-8-2-3-6-6-8-2-3-6-6-8-2-3-6-6-8-2-3-6-6-8-2-3-6-6-8-2-3-6-6-8-2-3-6-6-8-2-3-8-8-2-3-3-8-8-8-3-8-8-8-8	WG. 237.455.400 64.117.293.31 1.3 64.00 1.4 87.409.454.771 1.5 2.5 2.5 3.2 2.5 3.2 2.5 3.2 2.5 3.2 2.5 3.4 6.7 2.4 3.5 3.5 4.5 3.5 3.5 4.5 3.5 4.5 3.5 4.5 3.5 4.5 4.5 3.5 4.5 4.5 3.5 4.5 4.5 3.5 4.5 4.5 4.5 4.5 4.5 4.5 4.5 4.5 4.5 4	### LOW   195	9885 9885 9885 9885 9885 9885 9885 9885	MM	PA	12-50-10-11-10-11-11-11-11-11-11-11-11-11-11	1700 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	A 46787097483905.5780627333.7804453467657.11044.57867.57867.578687.57868.5786888.11044.57867.57868.5786888.11044.57868.1104.57868.11	ME 11.557.68535.277.550.00.2271.0744.450.00.00.00.00.00.00.00.00.00.00.00.00.0
•					<b>-</b>	•			AE AD ADU (D 40ET 40A)			•				





## HERTZ. WINNING BY PUTTING YOU FIRST.

Of course having so many

dition. To put you

first we can't put

you in a loser.

fine Hertz car

smaller bills.

Pacific Regional

Street, Milsons

pocket first too.

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Office, 55 Lavender

Point, Sydney, New South Wales, 2061,

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anywhere in the world.

PLASTIC THAT'S WORTH

ITS WEIGHT IN GOLD.

you instant rent-a-car credit atany

Hertz location. All you get billed

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Hertz Corporate Discount Plan

allows your company to rent more

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With Hertz, more business means

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Corporate Discount Plan fill in the

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We'll send you application

forms, information and a voucher

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off your first rental with a Hertz

credit card in Asia Pacific.

Hertz puts your

Hertz

A Hertz credit card offers

Winners don't come second. In America, South America, the cars requires a sophisticated U.K. and Europe, Hertz has conmaintenance programme to keep sistently offered more cars, more them all in perfect running conlocations and more innovations.

Now we're winning in Asia Pacific. We're growing faster than our com-

petitors in Asia Pacific and we're doing it by putting you first.

HERTZ HAS THE



ican Samoa - Australia - Fiji - Guam - Hawaii - Hong Kong - Indonesia - Japan - Malaysia - Nepal - New/Caledonia - New/Hebridas New Zealand - Norfolk Island - Papua New Guinea - Philippines - Saipan - Singapore - Sri Lanka - Tahiti - Thailand - Western Samos

We have 4.000 locations throughout the world. We recently won all 58 key Australian airports. We have more airport locations in Asia Pacific than any other car rental company. And, we are now open in Indonesia. To put you first we can't come second.

The Hertz world wide fleet features Ford cars and trucks of just about every size and description. The vehicles we offer in Asia Pacific make us twice as big as our nearest competitor.

WORLD'S NOT THROUGH JAPAN'S NO1.\*

In Japan you needn't be without Hertz. We have an exclusive relationship with Nippon Rent-A-Car Service, Japan's No. 1.

Like Hertz, Nippon didn't get to be No. 1 by being second in service and quality. Before leaving Japan for an overseas trip call

Nippon. They can arrange a WINNING BY PUTTING YOU FIRST

## Free enterprise tips Honey Bd power balance

upset the balance of power on the Honey Marketing Authority's five-man board. And the breaking of its monopoly on exports is jeopardising the authority's

Agriculture Undersecretary, Ron Taibot, opening the National Beekeepers' Con-"Either a funding levy borne by the whole industry and I stress the word whole or the authority must have complete control over exports.

"To me the thought of the authority having complete control over exports is not an overly appealing one.

However, unless the authority is supported by one other of these two to act as a stabilising influence by buying honey at a guaranteed price and holding honey surpluses till overseas prices improve.

Beckeepers are split into two major factions. The big operators, mostly from the North Island, pack and export their own honey. They neither supply the HMA with honey, nor do they want HMA in terference in their business South Island producers tend

to be smaller and dependent on the HMA to take their boney. The North Island consumes its total honey production, the South Island produces a 1000 tonne surplus.

Beekeepers Association president and HMA board member Mike Stuckey suggested that the HMA was at a crunch point it was "time to stop arranging the deck chairs on the Tilanic.

"If the authority cannot make a go of it in the commercial world, and this is not yet proven, then it is time to look at alternatives", Stuckey

Stuckey suggested that South Island producers form their own co-op with a self-imposed HMA. And North Island producers could be left to pack, market, and export as free enterprisers.
South Island producers are

not united in their support of an export monopoly for the HMA. A section of South Island beekeepers produce honeydew, a honey from bees who gather exudations of scale insects living on beech tree

distinct from nectar honey. The honeydew producers want to be excluded from HMA control over exports.

Stuckey's suggestion ob ously found no favour with the Government, which was pushing for continued control iver the Industry and a system Island Whereby North levy to an HMA they did not supply, and claimed they neither needed nor wanted.

But Stuckey's suggestion in likely to receive serious consideration. The HMA's total throughput is about 2000 tonnes of honey a year; only 500 tonnes of it comes from the North Island.

Throughput for the HMA's Auckland plant is too little for economic operation of the present facility. This situation is being reviewed.

At the same time the HMA is panding its facility at easant Point, noar Timeru. The likely outcome is a big noney plant in the South Island and a mere distribution point Auckland — an ideal setting the North Island producers hand the whole HMA, citier with its restrictions

by Warren Berryman

But the meeting did not go
FREE enterprise forces have this far in its decision making. It agreed to review the

situation only.
As to the future viability of the HMA, the meeting rejected calls for an industry-wide levy and or restrictions on exports The meeting decided that in

forced to accept all honey as was the case in the past. The HMA can now select the honeys it wants to buy according to market criteria.

The HMA would thus give up its stabilisation role and transform itself from a producer oriented body to a marketing body - not an easy

To do this the HMA would be competing with private in-terests and the heated argument between pro and anti-IIMA beckeepers will It is also unlikely that the letter signed by Prime HMA could survive in the Minister Rob Muldoon, Berry

North Island in competition

Percy Berry, Quoting from a

PERCY BERRY ... slams the

with private producer packers clearly making three demands; that we discount the already low priced honey on the local market — this in export year and apparently in The Government came in for direct contravention some strong criticism from Government's own declared

"That the base price for this said: "The Minister was year be reduced from 81 cents

ROB MULDOON . . . brings

operates on a Reserve Bank overdraft at concessional interest rates and Government has been urging them to reduce this overdraft.) policy of financial assistance

own stabilisation measures." Berry criticised Govern-

mund. The ascendancy of the free enterprise directors to the HMA board was due in large part to the voting system which gives plural votes to

large scale beekeepers. The meeting adopted resolution put forward by Covernment that the voting system be changed to one vot per each 100 hives with

imum of 12 votes. The former system allowed ne vote for 25 hives, with a maximum of 100 votes.

The new system favours the small beekeepers, and the South Islanders and is likely to to 77 cents per kg to keep the change the balance of power overdraft lower" the HMA on the HMA bound when Stuckey is up for re-election

At that time Stuckey is likely to lose his seat to an HMA supplier which will leave two "The industry underwrite its suppliers on the board and the



NO OTHER 2-LITRE GOES THIS FAR.

MAS 84784

## Contessions of an advertising agency



gilvy and Mather New Zealand has created over \$261/2 million worth of advertising that sells.

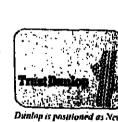
Today we reveal some of our trade secrets.

#### 1. The most important decision

We have learned that the effect of your advertising on your sales depends more on this decision than any other: how should you position your product?

The results of your campaign depend less on how we write your advertising than on how your product is positioned,

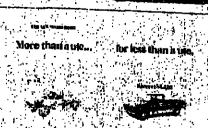
We pushinged Crown Coyal Glass alongside the world's best... and highlighted the cost advantages.



#### 2. Large promise

The second most important decision tomer? A promise is not a claim or a theme or a slogan or a concept. It is a benefit for the consumer. Most advertising promises nothing. It is doomed to fail in the market

Philips famous K\*\* phonise of "colour so natural as almost like being there" has not her six years. Our door it has a colour six years. them away machine that good in a hurry)

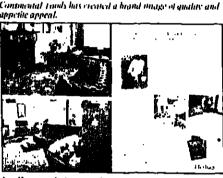


#### 3. Brand image

Every advertisement should contribute to the complex symbol which is the brand image. 95 per cent of all advertising is created ad hoc. Most products lack any consistent image from one year to another.

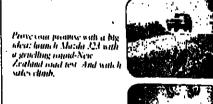
The manufacturer who dedicates his advertising to building the most sharply defined personality for his brand gets the largest share of the market.

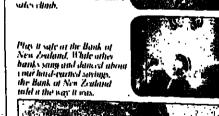




#### 4. Big ideas

Unless your advertising is built on a big idea it will pass like a ship in the night. It takes a big idea to jolt the customer out of his or her indifference - to make him notice your advertising, remember it and take action.







Trade advertising deserves a big idea ioù.

#### 5. A first class ticket

It pays to give most products an image of quality - a first class ticket. If your advertising looks ugly, consumers will conclude that your product is shoddy.



#### 6. Don't be a bore

Nobody was ever bored into buying product. Yet most advertising is impersonal, detached, cold and dull.

It pays to involve the customer Talk to her like a human being. Charm her Make her hungry. Get her to participate.





Admind Hillary for American Lypicsy

#### 7 Innovate

Start trends - instead of following them. Advertising which follows a fashionable fad, or is imitative, is seldom successful. It pays to innovate, to blaze new trails.

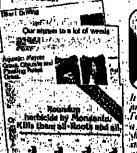




For Bate, a series of immorative L-shaped daily pres-

#### 8. News is news

It is easier to interest the consumer in a product when it is new than at any other point in its life. Most copywriters have a fatal instinct for burying news. This is why most advertising for new products fails to exploit the opportunity that genuine news provides.\_\_\_









## TV revolution: viewing patterns in upheaval

saturation demand.

viewing patterns.

makers may bypass the net-

Magazine publishers see this

marketing

bomes currently own a player-

million of which 50 per cent is

Prime usage in America is

destined for export.

VTR IS TV'S RIVAL

PIPED television to a reticulated subscriber network was first promoted as a desirable alternative in areas of bad reception, either among tall buildings in cities or in remote, rural areas.

Now cable systems of recent vintage can carry up to 36 channels of video and the number of programmes rather than a technical decision. The subscriber will generally have a choice of the three national networks, local community television, special broadcasts of first run movies. sports and news services. special interest material, consumer channels and adult

9. Don't just tell'em-show em

Visual demonstrations work (fi

10. Gothewholela

Most advertising campaign

omplicated. They reflect a be-

marketing objectives. They may

divergent views of too manyer

By aftempting too many the

one simple promise and go the?

I hade ros of sunshine in the head of signific

singlamps A shortest day of the sear neighbors backed by this pin up special it New Zealast

that work best in televi

Martyn Turner, Managing Di Ross McCauley, Greatly: Dire Wellington 851-709

Ken Brady, Chairman, Diese or John Brooks, Creative Diese Auckland, 34-929

You'll be surprised hot

we can help you.

please call:

It pays to boil down you?

You are my sunshine,

achieve nothing.

in delivering it.

are honest!) It pays to visualiza

promise It saves time It dian

promise home. It is memorable.

Forces are at work to foster he growth of cable TV; television superstations, programme syndication as a threat to the networks, the home computer, the possibility of cost reductions based on optical fibre — the future effects of cable on programming and telvision advertising could be profound.

Cable is still predominantly used for telvision programmes also going out over the air. But down the same cable the viewer can receive material originated by the local cable operator plus pay television which does not carry ad-

vertising. Advertisers buying direct into the cable system do not include many nationals and cable is not regarded as an mportant medium but this could change. As the number of cable viewers increases cable could emerge as an alternative to the networks and hence a medium in its own

In 1978 only one cable station in 10 earned 10 per cent or more of its income from advertising, but advertising receipts have trebled in the last two years. This is time sold by cable stations additional to the advertising already included in many programmes.

Now 14 million television households, or 20 per cent of the national total, subscribe to cable compared with less than four million in 1970 . . . an increase of 250 per cent. In the same time cable systems have eaped from 2500 to 4000 so subscribers per system have doubled over the last eight

Ogilvy & Mather m more about advertise Chilvy & Mather has deal scharate and special body of know what creates sales success in the No fewer than 1200 cable stations have ground stations for most product and service client

that work best in television
word, how to create advertising
If you are interested in least
about us and discovering how increased sales for your advertis America is increasingly gaining its revenue from both advertising and consumer subscription.

SUPERSTATIONS LAUNCH

AT ABOUT the time he capfained the winning United States entry in the Americas Cup. Ted Turner launched WTCG, Atlanta, from its raditional position as a local niarket television station into ctirrent place as a 24 hour a day; seven day a week, station troadcasting both locally and through the satellite across the lighted States from Hawaii to Alaska to New York.

The programme is available o any operator with the ed by cable systems.



operators they pay the comper subscriber per month Purner receives nothing from the cable company but derives revenue from selling advertising. Despite spotty coverage and small numbers, sales of advertising are making an impact.

This year, stations from New York, Chicago, Los Angeles and San Francisco will become "superstations" and the possibility then exists for an effective fourth network.

#### QUBE TV RESPONDS

became the first city in the world to experience a "twoticipate. The system is provided by Qube, a division of the Warner Cable Corporation.

Subscribers are provided with a small, limited capability computer terminal number of programmes special interest programmes and selector console. Through already available such as first not available elsewhere — and capability computer terminal it the viewer can call up 30 channels of entertainment, information and education. Of news and programming from unexpurgated nightclub acts these, 20 channels are superstations. Cable stations have been the mainstay. And a available within the \$10.95 per are tapping in to satellites for new channel will provide 13 month rental and to carry premium programmes, priced differentially and paid for por Public Broadcasting System television seven days a week.

which the viewer can respond of users. instantly to material on the provides hard copy of the results, if required.

An example is quoted of

"Columbus Alive", a daily programme put out by QUBE parate and special body of the and 42 per cent no.

Subscribers obviously enjoy participating and seeing how coded to mean almost future function. anything ... "If you think this, Under a satellite system,

wide. On educational channels Advertisers will choose from toprating programmes to be the professor in the studio has an array of national, regional, recorded and stored. The me processor in the studio has a rarray of national, regional recorded and stored. The a real sense of involvement local and demographic objective is to build a home with his students. Politicians sudiences. Both audience alzes library of tapes dominated by and administrators can poll and advertising costs are movies and major endough and advertising costs are movies and major endough their expected to decrease and the subjects. The research facility cost of reaching target recorded complete with offers a good deal for suddences will decline commercials though in the programme producers testing affect on breadcasting but his beside the trouble to cult programme producers testing plot material; for pre-testing ot material; for pre-testing effect on broadcasting but just people take the trouble to cut advertising; for market how is uncertain Programme out the commercial breaks:

Direct marketing through the response mechanism does not seem to be a major feature. Potentially retailers can present merchandise and ask for orders. But it seems that the time-honoured theories about the act of shopping having a social function beyond buying goods hold true in Columbus.

#### SATELLITES CUT DISTANCE

ALTHOUGH the distribution works by airing their tapes appears as a secondary of programmes by satellite productions via satellite and reason for ownership of a VTIL. replaces the use of company—dealing—with—individual—Yet the market is flooded with owned telephone lines and stations and advertisers, material of all kinds including micro-wave links, it requires Networks may launch their general interest and adult special equipment, both own satellite. Or possibly terrestrial and space. Earth broadcast stations may stations to receive satellite become unnecessary with signals cost about \$40,000 but if satellites beaming they need to send signals as well the cost may go up to bome.

signals cost about \$40,000 but if satellites beaming are re-usable. A huge volume of pornography is available. Piracy is a major problem.

earth are picked up by one of domestic satellites in America - satellites , can now buy means of subsidising television there is a total of 72 trans- programmes "by the yard", as entertainment. ponders, though us they are it were, with inexpensive computer data and so on, not patterns making it possible. way" television system which all can be used for television. The rate of growth of pay invites the viewer to par. As technology advances, the television has been high with price of earth stations will an estimated audience of 2.5 decrease while the capacity of 3.5 million currently and with

satellites will increase. six milbon homes foreseen in An operator with an earth five years' time. station can choose from a . The appeal is high quality or run movies, sporting events no advertising. So far un-cut, from Madison Square Garden, uninterrupted movies or programme material and hours weekly of non-violent, some networks such as the commercial-free children's viewing, (typically, \$2.50 for a distribute programmes every Through-the-air pay first run movie.)

The console also has five three major networks are growth opportunity and will be response buttons through noticeably absent from the list cheaper than cable.

The advantages of this kind opportunity to extend their home television screen. At the of distribution are low cost, business and Playboy has station, a computer flexibility and high quality announced plans for Elecaggregates and analyses signal. The user need only tronic Playboy', a video responses instantly, fees them purchase time and space; version for pay television to the transmitted signal and distance is not a factor as with which may also be marketed in land-line transmission rates. video cassette or possibly Programmes received by videodisc versions. earth stations can be aired live

or taped for later use. Demonstrating this to its subscribers. In an in- flexibility, all members of the terview with the mayor about Public Broadcasting System THE snow removal problems, the the non-advertising, com- videocassette tape recorders viewing audience is asked munity-conscious, higher for home use is well under way clearer picture on the home and more than 1 per cent of

recorder. Japanese production Should the networks adopt heir responses relate to the satellite transmission, af for 1979 is estimated at 2 overall audience reaction. The filiated stations, once equipped five button response with an earth station, will be mechanism can deal not only able to tap any programme on with yes-no responses but can satellite — a freedom which is for recording programmes offer act as a scaling device or be likely to after the network's air which is possible from an

unattended set using time delay mechanism. The term. "24 prime-time." has been coined to mean this transindependent public and cable The range of applications of stations will be chipping a way the response function is very at the mass network audience. mission at any hour of

Thus far, advertising has not Signals transmitted from PAY TV SET FOR GROWTH been a feature of pre-recorded lapes but it may come through the many satellite trans. SUBSCRIBERS to cable judicious sponsorship in ponders, each handling one systems, in addition to categories such as no-it-IV signal. Among the four deriving programmes from yourself, travel etc, as a and quantity production does

TELEVISION in the United States wears the same face today

as it has for many years with the three major networks still

winning the top ratings with their major productions and the

levels of viewing overall at, or near, the customary position of

But there is a quiet revolution brewing and the next three to

A report on television's future, compiled by John Sweeting,

five years may see a dramatic and irreversible change to new

associate director, for SSC&B: Lintas International, has been

made available to National Business Review. Because in lelevision matters United States is a pacesetter and what

appens there will ultimately influence world trends, we think

it important to summarise this report for our readers.

The playing of pre-recorded

educational programmes.

Prices vary but \$50 for a

cassette is typical and tapes

WHEREAS, in the field of sound, dises preceded tape on the consumer market, in video tape came first. Although the appeal of the video tape recorder to the enthusiast who prepared to record and edit his own material is undoubted, the cassette player is likely to be used by the majority principally for playing pre-recorded tapes.

The main and perhaps crucial difference between the two systems lies in prices. The tape recorder-player lists at around \$1000 and sells typically for \$750 and a prerecorded tape for a two year old movie runs about \$50. The Philips videodisc machine has been launched at \$695 while RCA are siming to launch at \$400 and a volume production depending on programmes television screen.

with major movies around \$15. Philips see 30 per cent of United States television homes with videodisc players in five years time.

The Philips Magnavox player, about the size of a video cassette recorder, is un exciting adult toy, offering fuscinating features such as fast and slow motion, forward and reverse, freeze-frame. The Philips system employs an optical system to read the disc and incorporates a miniature

From 30 minutes to two hours playing is available depending on the disc and the initial catalogue lists 202 titles covering a wide spectrum o interest.

Not only can Philip reproduce their master discfrom virtually any sourse of material but the discs themselves are made similarly to sound discs by moulding from a master. Production costs drop dramatically when large which is copied in real time not have a significant effect on

The picture quality of the also used for relaying radio, technology for logging viewing VIDEODISC CHALLENGES Philips disc is excellent and sound can be played monophonically or in stereo. Videodise for marketing purposes has potential with cheap lightweight mailing

> Philips's big rival is RCA which is aiming for a reliable standard or quality at a highly competitive price. But RCA uses a diamond stylus similarly to a sound record player so the two systems use different kinds of software. Picture quality is very high and like Philips, standards equal or exceed the picture received off-air.

The real issue is the extent to which a nation of rising affluence and expanding leisure hours will cross the critical line between passive attention to the programme fare of broadcasters and selfdetermination of the viewing Discs are selling from \$6 to \$20 diet served up on the domestic

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computerised

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## The wages of credit are del 'chargeaholics' wean themselves off cards

by Belinda Gillespie

often causes tears, but he controlled his debt.

Americans, British and Australians into an age in which credit, not money, makes the world go round.

The wages of credit are debt. Americans have learnt to their

Organisations such as "Spendaholics", "Debtors

soberly named Consumer THE American Credit Counselling Service. "chargeaholic" who seeks have flourished in their efforts help has his credit cards cut up in front of him. The pain of it estimated to help the one in 20 Americans estimated to be in serious debt estimated to be in serious debt Apart from home mort-

won't get them back till he has gages, the American consumer instalment debt is \$25 It doesn't happenhere — yet. billion. This credit pile becomes in itself a kind of energy source to create more

The more the consumer buys, the more has to be made for him to buy - and that generates more jobs.

The Americans are set new records of personal indebtedness." writes Jane McLoughlin in Britain's "Guardian", "so that they owe an ever greater percentage of their debts back faster than they incur them, they would actually slow down the

In New York, the typical dient of the Consumer Credit Counselling Service (CCCS) is three, in his mid-thirties, with \$13,500. He probably owes

Clients, as often professional class as low carners, have simply overplayed their hand and American Expression not of credit cards. American under consideration at will be are generally associaadults have an average of 4.2 a brave had stand in a world. Citizens' Advice Recards, in all a total of 600

agencies which provide the song of cold hard cash money in the first place finance CCCS.

They make voluntary don tax deductible) contributions to agencies which help families manage credit or repay their debts, to ensure that they themselves lose the minimum from bad debts.

Clients of CCCS have a 65 per cent chance of repaying then debts, and of those who do repay, 95.8 per cent never get into debt again. McLouglin examines some

of the lures which draw people into the credit trap. One is "the tacit encouragement of a government forced to base economic growth on boosting every citizen's burden of - credit". Americans are said to believe that they have the same right to credit as they have to vote. There are Giormous pressures on h

dividuals to "join the club" In terms of the persuasion o shear numbers, one of the best known eards, Master-charge increased its clientele trom 5.1 to 40 million in just nine years. Inflation has helped the credit boom. Capital goods bought on credit appreciate in value as the dollar depreclates, and the loan

becomes cheaper.
The typical cr borrows to buy tangible assets, has several credit cards with an outstanding balance of about \$500, and, since interest payments are tax-deductible figures that the government is shouldering a big chunk of his

As an organisation described as somewhere between the Marriage Guidance Council and Alcoholics Anonymous, the chief concern of the CCCS is families "chargeaholic". with

Though the organisation runs a preventive service, most people come too late "-as with alcoholics, it is hard to admit the truth — and by then

repayment can be a long and painful process.

Some of the symptoms:—
paying off one credit from sections are resulted as another; paying for food or dry-cleaning on credit; legging bills because you

Anonymous", and the more don't have the money at once, the three Australian tending beautiful to the control to borrowing to pay off a smaller trading banks, now pre-

> too easy to write the Americans off as "consumer addicts" in other countries means loget themselve poven the same opportunities, financial mire, and are particularly Britain and services to help themsely Sweden, she detects the same of it, Zealand mittee was set up esta

> "chargeabolies" are still year under section uoperating on hire purchase and credit accounts. They have yet John Grant, assistante to realise the potential of general of administration credit cards, which by the endof the year will number hye, when the Australian Bankeard is added to the list of American mittee is still at the Express, Diners' Club, and the looking" stage. BNZ and National Bank Visa gords. That is, unless the Commerce Commission's centres in the @c inquiry into the card business. upsets the applecant

Closing submissions from the parties to the inquity were received on August in

The commission may decide and Hamilton have to recurrence the hearing on treutarly compreha the basis of the submissions in services. which case the results will be birther delayed. If not, it has busin't emerged year't the job of tightime its way of the vexed questions through the mountain or paper nine different creditors, and generated by the inquity and spends \$365 more than he presenting a conclusion. earns, mostly in servicing the probably before the end of the attracted to plastical

. If the commission come, aut against bank eards daniers, plans where other countries in a which in turn conten-Strutter position to New Consumers' Institutes. The banks and credit Waland are singing the swim people with 6%

The longer the delay, the A Consumer ! more the bank eards will be a spokesman agreed a tail accompli. Specially once credit and problets

Bonkcard, launch koz. Me Longithin claims that it's last three months of the

of time, as credit facilities Lacking credit care lower income levels. "Those Zealand debtors #11 to purchase and non-payment of problems with credit cards." Jim Hughes, budget advisor for an inner city Citizens' Advice Bureau in Wellington,

said his clients have problems with cash-flow accounting. Social Welfare Act. Oct. rather than credit. A couple living in the city, close to work and child-care the Department of b facilities, could both work if Welfare, was relieded money became tight. comment because the Those in out-of-lown suburbs were in a more difficult But he said there in situation regarding work and

> property and capital goods. This could be the group more likely to have a real shortage of money and fall into the credit card trap.

children, and usually had

greater investments in

hit New Zealand, but

suggested it was only a matter

were increasingly extended to

who have trouble with hire

accounts now will have similar

People who can't manage their finances are still considered "on the outer", Imples said, and generally had to overcome strong refuctance to ask for advice.

Those who went to him of their own volition were generally highly motivated and succeeded in getting their finances in order, while many this exercise once or twice service refused to recognise concerned

Accident compensation blesses motor industry

THE BANKS

their problem and often didn't

"On a variable income,

said Hughes, "people tend to

spendat the higher level. Peak

spending at Christmas is

followed by the period of

mas, with financial problems

Some budget advisory

account with two signatories,

the budget officer and a family

The officer helps the family

allocate its finances each

week, and after everything

else has been paid, the balance

goes into housekeeping. Others

take a more self-help ap-

proach, and may go through

as a consequence.

dustry should be thankful that accident compensation has remedies which once tied upthe court system.

A recent Issue of the London Financial Times notes that a Los Angeles Superior Court jury awarded damages totalling \$1.8 million against Jaguar Rover Triumph Inc. the British Leyland subsidiary, to the family of a man who died when his Jaguar XJ6 car and that the plaintiff: was involved in a collision five

(Please 🌖 where appropriate)

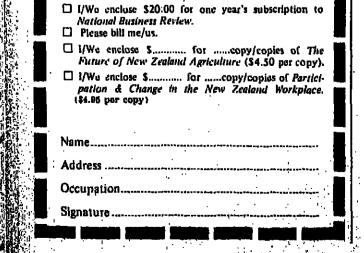
THE New Zealand motor in Jaguar's twin petrol tanks was susceptible to catching tire because of its position. But the pury's majority verdiet did not mention the petrol tank. JRT's lawyer said that the

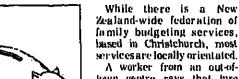
jury's award, much lower than the \$12 million asked for by the plaintiffs, was motivated by sympathy and that he would request a new trial.

In his summing up, the lowyer maintained that there were no design defects in the lawyer was trying to sway the years ago. jury by reading from a father's day card and showing slides of the dead man's family.

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town centre says that hire period. purchase and over-purchasing from charge accounts — for example on Farmers' plastic is no charge for it to the cards - are the present problem areas in credit. Diners' Club and American

Express are still for the top end of the market. But their credit cards would be the first to go in the hypothetical situation of New Zenlanders becoming American-style "chargeaholies", representing the area of discretionary spending which has to be deleted for debis to be brought

lowest income after Christ-Meanwhile, competition is notting up among those in the credit card game. Each bank makes its card sound bigger, services take control to the extent of insisting that all letter and brighter than the wages are banked in a special

While there is a New Visacard, over and above any Zealand-wide federation of interest incorred. The family budgeting services. National Bank Visa is slightly based in Christchurch, most theaper, at \$6 per six months.

Neither bank charges if the A worker from an out-of- card is not used during its Bankcard, the Australian banks' baby, is "free". There

client's account as long as he pays within the 25 days after receiving his account. Cherie Cooper, of American Express, says that although bank cards, Amex and Diners' Club regard themselves as more exclusive than the banks,

all account holders.

But although, on the surface, the situation is more competitive, the increase in aclivity has heightened awareness of credit cards, and business is "better than ever". The time is ripe for soliciting

dients — "once people get a

which offer the same service to

card, they're here to stay" with ast. In conjunction with The BNZ, for example, letevision and radio addiarges \$1.15 a month for its vertising. American Express. Commerce. Commission's consuming world



PLASTIC MONEY ... 'Join the

Cooper agrees that New Zealand husn't got to the "creditabilic" stage, partly because of the strict criteria still unforced by her company and Diners' Club.

In the last few months American Express has raised the lowest acceptable level of salary from \$10,000 to \$12,000, though other criteria are also

American Express and

inquiry, have been made even more attractive since July 2. when petrol became obpetrol sales, so it is purely a service for card-holders, and an area in which the bais cards are unlikely to compete. The debut of the BNZ Visa last year was unwelcome to many, who felt that the which it was sent, was an in-

fringement of their rights. planning eight mail drops up British banks met similar opposition when they introduced their systems back in

> severe critics, the retailers accepted them as a fact of life. though sending them out un-

solicited has become illegal Nost algia for notes and coins and the feet of real money in their nockets seems unlikely to stop New Zealanders accepting their deck of plastic Diners' Club, exempt from the cards along with the rest of the

#### Ralta believe export packaging is all about avoiding problems -not just surviving them.

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displays of our product.
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Mr. Donald, MacDonald National Sales Manager, Raita Ltd: (lêft) and Mr. Ken Carney, Sales Manager, Hygrade Carton Division.

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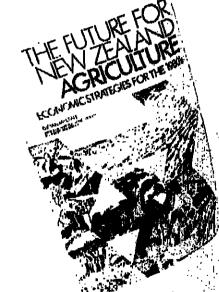
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are probably underse

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#### Agents force showdown

WE have read the articles in your July 11, 18 and 25 issues with considerable interest.

determined not to let the methods of operating are legal current investigations into or illegal within the law. If the

Ministry of Transport to to all their clients. develop their inquiry without publicity. However, since your July articles, we have kept in fares' is quite incorrect. close contact with the ministry There is no such thing as that charges will be levelled

We have no ulterior motive in trying to force a showdown. We believe that any fare or tour programme being sold should be available to all consumers and not restricted

to a privileged few. We absolutely refute allegations made in your July 25 issue that we do not consider the consumer. The consumer is our livelihood, so why should we do anything that is likely to reflect on our business.

We have requested the information supplied by our

The Travel Agents force the closure of Link but Association of New Zealand is purely to ascertain whether its alleged cut rate fares sold by inquiry proves that the Link's methods are legal then all We have deliberately kept travel agents must be allowed silent in order to allow the to offer the same advantages

As agents for the airlines, we sell the legal fares offered by all airlines and we sell for and on behalf of these airlines as their agents. The Ministry of Transport sets the fares and they are administered under the International Air Tariff Regulations 1978 instigated by

We always work in the best interests of the consumer and believe in open and fair competition in the market-

Smooth, warm, welcoming.

Everything you'd expect from a great Scotch whisky that contains

an exceptionally high proportion of expensive Malt Whiskies.

The cream

of Scotch whiskies

Ministry of Transport to act on Tariff Regulations 1978 to be

(4) All consumers in New vantages of purchasing the most competitive fares Chapman shies Beekeepers agent of their choice. We believe strongly in the consumers' freedom of choice and TAANZ will fight to see

Our association members are bonded for the consumers' protection and we strive to render a high level of service to the consumer, thereby establishing that membership of TAANZ will ensure a high standard of competence, integrity and ethics.

(1) Are the International Air

(2) If not, then they should

(3) If the Regulations are to be enforced, then are the current discounted fare packages in the form of club subsidies legal or not?

that all consumers are not disadyantaged.

Peter J Lowry Travel Agents Association is

**LETTERS** 

MY attention has been drawn

w Warren Berryman's article

WBR July 18) "Free market

drive threatens to hquidate

honey authority".

#### from policy face future

MR GEORGE Chapman has announced his six point programme for 1979.

Members and prospective members of the National Party will note that, although he is the party president, he has expressed no interest in the party's aims and objectives. Just the old shibboleths about canvussing, fund-raising and attracting young people — as if policies

Executive Director The Chapman programme is Agents Association is one of self-perpetuation

to any political party.
Those interested in free enterprise may now feel they on its future should will be making a better con-tribution to the cause by joining un organisation like before the recent come ASENZ (Association for the Survival of Enterprise in New The newsletter set of

Zeuland) whose address is Box thus the authority page mine, although it do At J Sampson numy of the points which ASENZ quoted some further eth from my paper to the ba and added some fun-comments of his own.

#### oney nutherity Although the substantive Policy yield information in the article about the situation facing the honey industry and the draws fine in authority is correct the article

incorrectly describes the MRJR Hunter's critical paper received by beckeepers recent note of mine one as being my paper. As a yields is quite justified to number of persons, both within I had looked only at the the industry and from outside, of inflation on returns in have misunderstood the situation through reading the article, I thought I should set of policies in the past as out the actual sequence of allow for tax exemplost events for the sake of the maxima culps.

Mr Hunter, however, in The problems facing the quite right in saying to authority, and the could have expressed requirements for it to continue "conclusion much n operating as it had, were simply by stating hater placed before the board by me rate of return or animes in the form of a discussion can be found by deduction that the authority, after considering the paper, should be live per centine est.

determine a course of action per cent inflation pafor the future. No options were different return from P The authority, after con-inflation or 15 per cent interest with 7 per sidering my paper in detail, with 12 per cent interest with 7 per cent inter resolved unannously that According to Mr Mc13 there were in fact six different yield is 3 per centions. options for the future, and that but the proper figures: a newsletter should be sent to per cent, 2.804 padd all bookeepers setting out the 2.679 per cent respect

#### Participation . . . key greater productivity

reasons why the authority

could not continue without restructuring its finances and



#### N.Z. case-studies in important new management methods

"It is imperative that we re-orient our work distinction to the radically changed circumstances

So says Roy McLannan, senior (settire).
Administration at Victoria University.
Participation & Change in the New Zeelel.
This important new book is intended of Zeelanders develop insight into method transform the performance of our enterpresentation people get out of their work.
In a highly readable introduction, the how participation and change, or "Order I how participation & Change in the Very Selection of Change in the Very Select



BUY your holiday dream Construction Ltd through

The scheme is called time sharing and the hotel industry will be eager to buy and

For several years building development American. new hotels, despite the shortage of accommodation in Auckland and Wellington has been an unattractive get together and split the costs.

THC is refining the concept proposition. Interest rates on borrowed

have been lengthy.

capital have been high and room rates subject to price control. Payback periods Now three major tourist rather than financing, though operators — Tourist Hotel it will allow the redevelopment

home for the next 40 years and beat inflation.

Vacation Hotels — are hoping to tap a new source of funds, the holiday maker.

Time sharing, as the concept is known, developed from the computer world though the

building a holiday home, many offering a week a year in a luxury unit at Wairakei for 40 years. The cost \$10,000.

THC's general manager Tony Young says the concept is primarily a marketing one rather than financing, though Corporation, Trans Holdings of Wairakei.

and Fletcher Development and Twenty, two bedroomed,

## Hotel industry pegs hopes on sharing plan

fully furnished and equipped and maintenance charges on villas will be built around the the villas. Owners will pay

will be sold at high, mid and low season rates ranging from \$9950 to \$6800. THC claims all the money realised will be invested in the construction of tennis court, squash court, sauna, coffee bar and disco.

Buyers will get "a licence to occupation for 40 years. It will marketable and the New Zealand Insurance Company has agreed to grant mortgages

The unsold time will be used

hotel on land THC already only for their personal ex-owns. only for their personal ex-penses. Rates, electricity and water will be paid by THC as will the cost of refurbishing at

THC has plugged into Resort Condominiums International which can arrange swaps in the units and additional Europe, Australia, Fiji, North,

facilities including another South and Central America. Trans Holdings, now a subsidiary of UEB Industries. also views time sharing as occupy", a title to one week's essentially a marketing Don Mundell says it is unwise

by the Wairakei Hotel and the profits used to pay the running against inflation. Most of our Island tourist centres might

investigation work is looking also be catered for and Flet at the security aspect of that investment." he said. But the concept does bring capital and people with a commitment together to

breath new life into the ailing hotel business. "New Zealand is not a place for the traditional hotel

developer," Mundell said. Fletchers are looking at time shares from the development angle, however, and to give another subsidiary con-

struction work. Having built time share units, Fletchers will pass them to see time sharing as purely a on to Vacation Hotels to new method of financing manage. Taupo is likely to be the first target though the "A time share has to be a company is eager to get into

chers have an interest in a time share development in

Maclcod admits the concept might be difficult to sell to New Zealanders. "A person canno treat it as a bach at a beach which he can take off to when

But Fletchers have done extensive research finding out what people do and what they would like to do for holidays.

Fletcher's also intend hiring a marketing consultant with a record of selling time shares in

Albertans, Macleod says, to New Zeulanders, Scottish Presbyterians, and have taken

## Bankers edge brokers out of market

Melbourne Correspondent

The Insurance Brokers' Council of Australia has expressed concern at increasing competition from Australia's

"Campbell" inquiry into the nation's financial system, the council condemned the sale of insurance over the counter at bank branches.

The major Australian banks have had a long-standing involvement with insurance companies, and the council's submission contends that there is at least the possibility that banks may exploit their lend-

ing powers unfairly.
It claims that the trend to sales of insurance at bank branches threatens the very existence of insurance broking

Currently the Australia and New Zealand Bank arranges a home and contents insurance package through any of its branches, though the actual policies are underwritten by Commercial Union, one of Australia's largest insurance

To Australia's brokers the banking system now offers a competition, and their opposition clearly springs from alarm at the potential loss of business threatened by this

ployment of bank branches to sell insurance, it argues, gives rise to the danger that confidential information supplied by customers will be used to gain an advantage for the bank in its roje as insurer. There is the further risk, the council maintoins, that bank managers will influence borrowers to place their insurance with the bank's service. As one Melbourne broker with a \$A200,000 overdraft is

taken by the Australian highly competitive Australian broking fraternity to the insurance market.

provision of an insurance broking service throughout its branches by the Commercial against the CBA before the Trades Practices Commission. but the matter was settled out of court on terms which have Many brokers believed that if the trend were not halted Australian banks would add to their role of lender, the function of insurer, broker, and

possibly even reinsurer.
This must lead inevitably, they argue, to a conflict of roles that was not in the public interest. The beleaguered brokers have also been dealt a serious blow by the New South Wales Government's decision to place all insurance business from the State's public hospitals with Its own Government Insurance Office. Formerly each public hospital board conducted its

own insurance business with brokers who in turn underwrote the business with private insurance companies. Under the new proposals the State's Health Commission will arrange a master policy covering the insurance requirements for all public

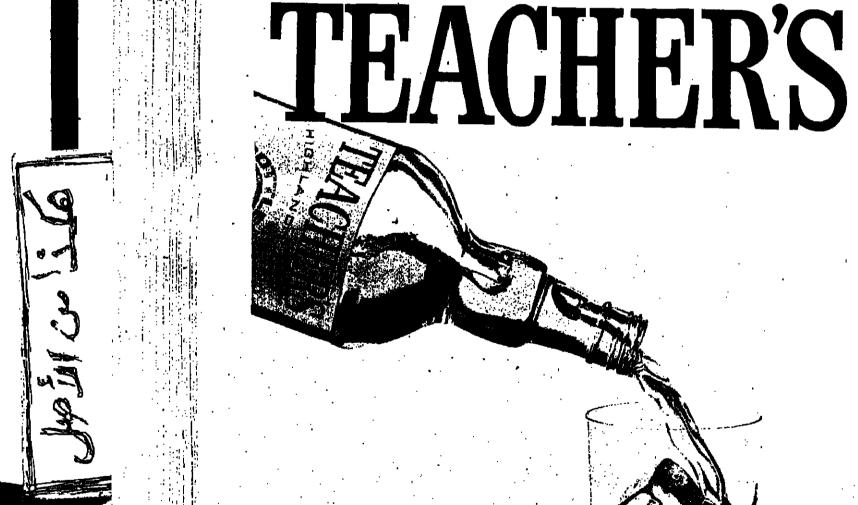
bring the Government Insurance Office additional premiums worth about \$A25 million a year, and brokers who formerly handled the Their submission to the hospital accounts are Campbell inquiry, however, naturally despondent at the has been couched in terms of loss of commission. The move Insurance Brokers' Council of Australia as depriving the private sector of business.

> It said that some brokers' staff would lose their employment as a result. Even the larger Australian brokers, affected by loss of commission on lower premiums, have profits.

are chasing too little business to the extent that the Australian Law Reform susceptible to suggestion.

The council seeks to persuade the Campbell inquiry to recommend that bank branch-recommend that branch-recommend the branch-recommend that branch-recommend the branch-recommend that branch-recommend the branch-recommend that branch-recommend the br their insurance subsidiaries, there are at present about 3000 with entirely separate staff, brokers in Australia, but the premises, records and loss of business to Government and to banks may well reduce Equal exception has been their numbers in the present





# 3.3

## CRESSIDA.

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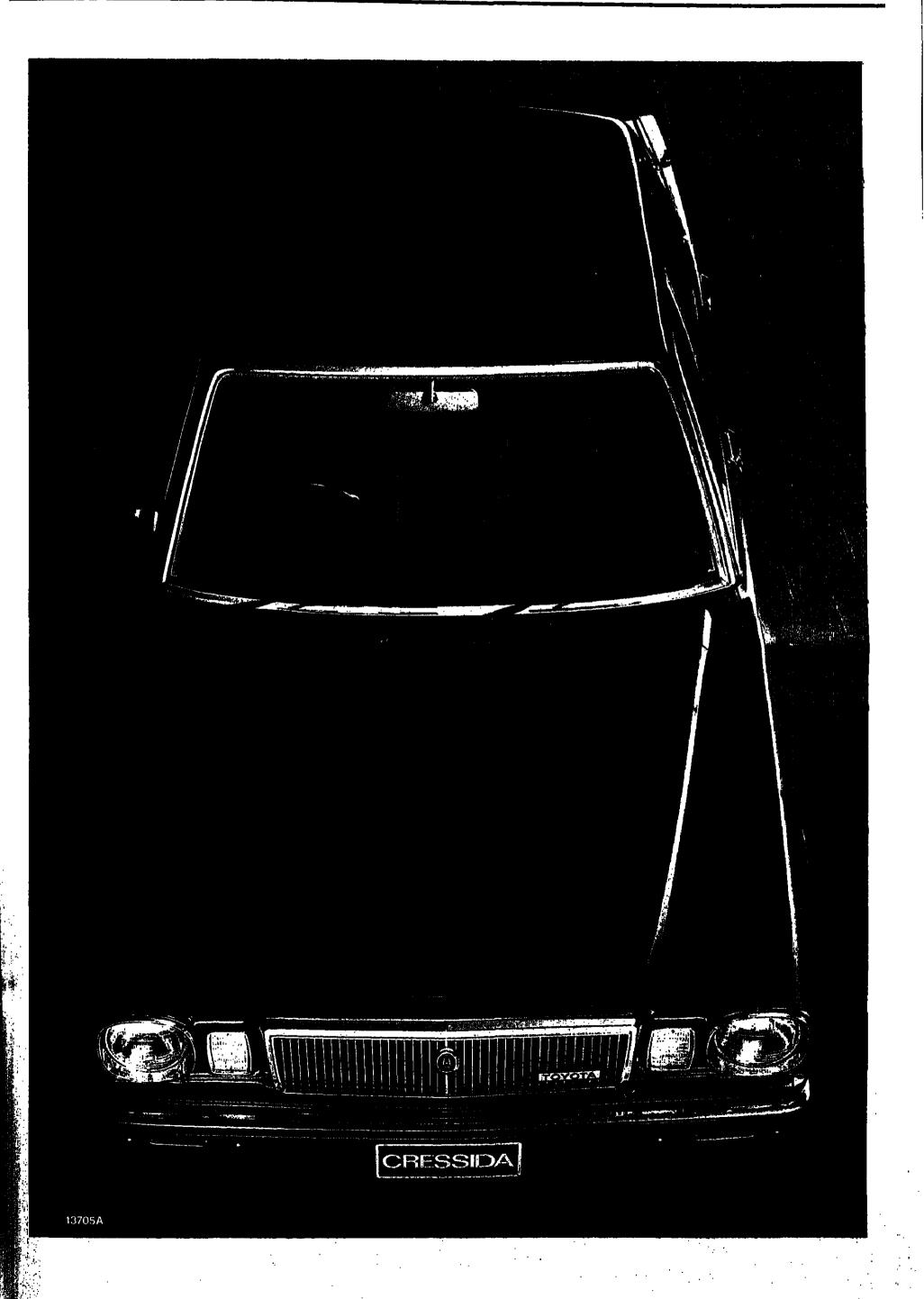
And because Toyota make the Cressida, all this luxury is on top of quality.

Not instead.

Cressida.

At the moment 5 speed manual \$11,300 and automatic \$11,700.







12.

13705B

## Jogging, meditation and ear plugs fight jet-lag

AN Auckland accountant's arrived at the same time as I vife often vacuums around her nusband as he stands on his

head in the bedroom. It is his it is commonly called, is an infliction prevalent among

usinessmen and professional people who fly. Hurtling hrough the stratosphere in pressurised, jct-propelled ubes, with a heady combination of food, alcohol, movies and stereo music, their circadian rhythm takes a York on a weekday morning he requent beating.

It is difficult to emerge several time zones later fit enough in body and mind to take on a dizzying round of business appointments. So how do they cope?

An Auckland group, who hold Air New Zealand Frequent Traveller cards, have diverse remedies.

. Philippa Moore, sales director for Aunty Group Industries Ltd in Anekland, swears by an imported Ger-學學學 man material resembling bees-wax which she moulds

into her ears to block out noise. "It's available only at the chemist in Auckland's South Pacific Hotel and it's the only thing I've found that allows me ito sleep in flight," she said. Jogging and meditation do

the trick for Terence O'Nell-Joyce, managing director of Ode Record Company

Arriving in New York he immediately dons shorts and T-shirt and pounds the city streets until things start coming into focus again. If there is a swimming pool in the neighbourhood he uses that. Or he meditates.

"Don't try to carry New Zealand time with you. The time thing is illusory," he said. A glass of water drunk every hour alleviates dehydrating effects of the pressurised cabin for John Williams, general manager of

Fashion Fabrics Ltd. managing director of Mortco Holdings, is a gin and tonic man. Unlike many who sacrifice alcohol and cigarettes to combat jetlag, Mortimer says two cans of lonic drunk with every niniature of gin is a practical

Supersonic travel and jet-lag are synonymous, according o textile importer Steve

ergquat.

"I flew supersonically from

GL Edition

**.** 

CRESSIDA

had left feeling like I'd been hit in the back of the head with an axe. Fast supersonic travel is a killer. I was dozy for two

slumberette on a Boeing 747. I usually try to leave New Zealand Friday night and arrive New York on Saturday night (American time) to have Sunday to sleep it off. They're a bright lot in New York so it's important to be on your locs." If Bergouist arrives in New

makes his appointments for the following day. Jet-lag is recognised as a physical ailment by many American companies who

award their employees suitable compensations The American tyre and retread manufacturing firm. B

and J Rocket, is one of these. its New Zenland general manager, Peter Woods, said a directive from Chicago allows travelling employees a half day off for each 12 hours they "Our director is a life

member of the Million Miles a Year Club and, chalking up that kind of air mileage, be knows the problems we face," Woods said.

At the time of interview, he had just returned from New Guinea and the Solomons --- 22 flights in 14 days. More often travels to Germany arriving frequently "with blurred speech like an incbriate"

"German is difficult enough bul spoken in a comatose state it is nonsensical." he said.

"At a conference in Chicago our director ticked us off for booking half stupid and told us te get some sleep. In America it is vital to be at peak per-

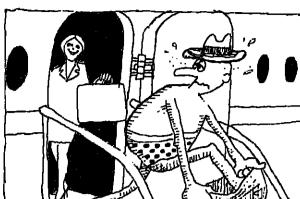
Woods claims he has trained himself to sleep during long flights. He uses mind over matter to programme himself Neil Mortimer, to relax. He never wears ties in tlight but comfortable opennecked shirts, jeans or safari

"In Central Europe they dress like they are off to a plenic and change into suits half an hour out," he said. Several businessmen said

they prefer to fly during daylight hours and arrive at night to sleep.

Lois Holmes uses exercises

and milk and tia maria on the



capacity as a tour escort for Atlantic and Pacific travel

stops to get your circulation during the Hight.

"Being a mother I am particularly sensitive to noise so I use ear plugs and cotton blinkers to sleep.

 Many businessmen are wary going and prevent ankle of popping sleeping pills on swelling and use isometries long flights, but Air New Zealand's principal medical

a long flight.

His advice to businessmen is

Smoking increases the amount of carton dioxide in the blood, to rest up if possible before cuts the amount of oxygen (as long trips and try to fly during the normal daylight periods, the effects of describethmic." arriving as close as possible to the local bedtime. One or twoday stopovers are advisable on long-haul flights. Exercise inflight — walking up and down the aisle every three or four hours - and during

He advises eating light and skipping a meal or two on long

transit stops is a must to avoid

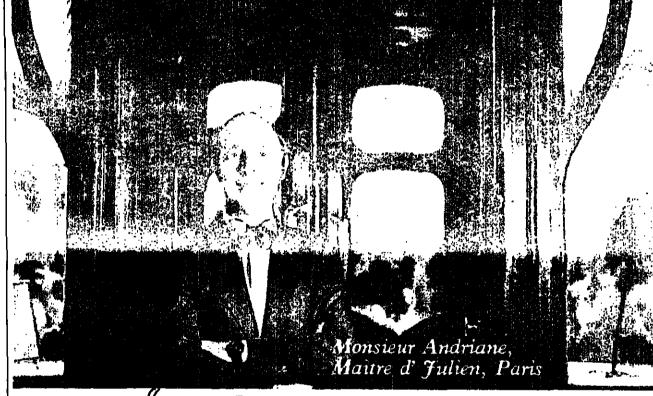
"Drink but don't overdo the alcohol. Two or three 3000 metre dry martinis are as lethal as four or five sea-level martinis. An inflight hangover is more painful and lasts longer than one acquired in a bar. Alcohol poisons the lissue cells so they cannot use oxygen peoperly. With the reduced oxygen supply in an aircraft, pronounced.

siders the normal desage of flight smoking and you will sleeping pills not a bad idea on arrive in better shape.

the effects of dysrhythmia." to drink sufficient nonpressurised air of the cubin which contains only 10 per cent of the humidity at ground

He says airline crew are five times as likely to acquire kithey stones as other people as a result of dehydration. The companied by the lower aerometric pressure dry out respiratory passages and ocular fluids resulting in scratchy throats and dimming

He recommends comfortable clothes in natural fabries like cotton or wool which let the body breathe And once scated he advises taking shoes off to prevent unkles swelling.



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"The wine is fine and strong and will find favour with connoisseurs and judges of fine wine, as well as restauranteurs such as ourselves who must offer quality wines to a discerning clientele."

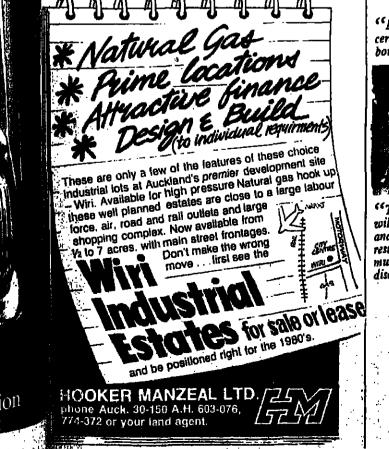


" [ can tell that it has been selected from the finest grapes and that it matures well in the bottle,"

"It has a mellowness and subtlety of flavour . . . it creates a real easure to the palate of any wine

Leading NZ in the world of wine





#### Anti-fluoride campaigners stir public opinion to shake the resolve of elected policy-makers

by Belinda Gillespie THE Commission of Inquiry into the Fluoridation of Water Supplies reported to the Government in July 1957 that fluoride in the water was good authorities should take the decision to fluoridate, with the consequence that the issue has been of some importance in local politics ever since.

Fluoridation was supported also by an impressive list of

The reasons for this decisive

rejections in 1979.

Political scientist Austin vantages. Mitchell pointed out that the opponents of fluorivociferous, and have one great campaigners. advantage over the supporters The Soil Association of New advantage over the supporters of fluoridation. The local Zealand, with 15 branches authority, through whom throughout the country, has an

plemented, is at the mercy of the fluoridation of drinking public opinion, so its sup-porters have to handle the views through the Soll and The Health Department's year of publication.

But events in Hastings — the first New Zealand town to be dation seem small and weak. fluoridated - showed early on in comparison with such that public fears could casily heavies as the Medical and be stirred up by campaigners Dental Associations, the threatening mass poisoning Plunket Society and the large and the death of human rights. Dental and Medical Colleges of A number of those who the University. But they are oppose fluoridation are old

Health Journal, now in its 38th

policy was — and still is — to Sir Dove-Meyer Robinson is introduce fluoridation, at the holds the same office in the

scientific opinion in 1959 same time introducing a low- The second of a two-part series in which Belinda Gillesple probably hold good for similar key educational campaign to looks at the flourishing anti-fluoride lobby. Political scientist tell the public of its ad- Austin Mitchell in 1960 identified the fluoride furore as "an illustration of the way in which public opinion functions on a scientific and medical question of a type that may be increasingly important in politics in the future". This article develops this prophetic view of increasing public par-ticipation by following the development of the anti-fluoride campaigns.

> newly-formed New Zealand controversial subject in New Pure Water Association, Zealand today" whose aims are to "combat the Sir Dove Meyer also gave pollution of natural water long service as the president of supplies and find alternatives the Organic Compost Society, to the practices that cause presumed parent to the Soil Association

The New Zealand Antito the Pure Water Association It was flourishing 20 years ago, when Sir Dove-Meyer claimed persuade local authorities to patron of the association. He in a Dunedin campaign that "fluoridation is the hottest

church and Rotoru (c) Once fluoride is in the supply, all but a fee ca accept its presence, up substance, chlorine

used by the anti-fluoride lobby to show that the health Supporters of her authorities were trying to prevent it becoming in issue which would be fluoridate by stealth. The cautious approach has allowed the opponents of panents into the field fluoridation to take the

ngainst the Health a issue before the public, raise At the time of the hand but the public mind, confidential deputs while making it seem that the confidential deputs Health Department and the The motion for a referen Fluoridation Society lobby is stirred into action only (President — Dove-Meyer when a decision on whether to statements such a local body involved are trying statements such a local body involved are trying to enforce fluoridation by local body involved are trying was lost. work quietly," and "a underhand means.

Mitchell's study showed,

medical luminaries, are

Minister's tune.

listening, even if they are not

cancer cure costs

roview of the arguments, the council approved fluoridation to avoid if possible public meetings and debates," were in principle, with no dissenting voice. But a by-election brought in J. A. Stead, a strong opponent of fluoridation, and feeling against fluoridation began to crystallise.

Eventually the five Labour councillors came out in favour This approach has initiative. They can bring the of a referendum on the question. They were opposed, however, by the seven Citizens' Association can-The motion for a referendum

> The flood of unfavourable reaction caused one councillor above all, the susceptibility of councillors in Dunedin to public opinion. After an initial casting vote.

referendum if requested by a petition signed by 10 per cent of the electors.

Society collected the necessary number

contained no one of great local keeping a store of deadly under half the people entitled pull. Its membership was fluoride near the water probably small, and its reservoir would be addecisively rejected. financial resources unknown -- yet it conducted a "masterly its propaganda placed its main emphasis on the right of

the individual to reject com-pulsory medication. But it was also successful in convincing opposition

forced by volumnous material

majority on the council, the United States, and by coun-despite the support of the fluoridation included a greater society propagated the view editorials. The Anti-Fluoridation among scientists.

signatures, and campaigned plot was not pursued in news content were consistently assiduously till the time of the Dunckin on a large scale — "It auti-fluoride. would keep the general public

vantageous during the time of

formed too late to rally suf-reservations "

In the absence of a clearcut from opposition centres in the ficient support for fluoridation.

that there was serious division The Otago Daily Times, with among scientists.

a bigger circulation, adThe line that fluoridation vocated "letting the people was part of the Communist decide", and its editorial and

The referendum was voted Mitchell pointed out that the docile during a steady en- on at the local body elections. society's executive of six croachment of Communism - on November 21 1969. Just

> Analysis showed a conthe revolution as it would give nection between voting Labour the opportunity to dump this and voting against poison into the water supply." fluoridation.
>
> What had been profitably A survey after the election

pursued in America during the showed the greater success McCarthy era by the John achieved by the opponents of Birch Society was, in Mit-fluoridation in putting their chell's words, "likely to prove views over to the public . . . merely puzzling in con perhaps because it "was more. The council was informed by temporary New Zealand". straightforward and easier to the District Medical Officer of

decision was made to hold a tering every "pro" authority Evening Star, which number of women and people referendum if requested by a with an "anti" of their own the vigorously defended it in its over the age of 50 than the porters were more likely to be

have a higher level of educational attainment than the "antis".

Dunedin's water supply was eventually fluoridated in 1967. The most recent - Rotorua

has since reversed its The battle is not over

however. A New Zealand Medical Journal report last year described a submission by ratepayers to the Dunedle City Council demanding that because it caused cancer.

A Children's Dental Health convey that that of sup Health and other authorities Association, with an importers of fluoridation with its that the claim was groundless. pressive list of patrons, was scientific qualifications and and accepted the continuation of fluoride in the water supply.

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Airline spokeemes: Minister queries WHEN the Bank of New was because the Zealand's Visa eard came on Bankmenapproache the market last year it drew salesmen and r immediate flack from the bureaucrats with b Retailers'Federation and later And the Nation from the Consumer's Institute undercut the BN-

where both the RM:

cheque. But, t.r.

being incurred

Here Visa carl: 🕮

per cent and active

While Visa is 1

frunched, the side

Visa is now lighting for National Bank age acceptance from another fering a 1.9 ptr c group the airlines. All the mission rate to #2 airlines have acted in concert. When first offend is to reject Visa's initial demand was little more far that they sign up for the serve pensive replacement

Typically, the anti-fluoride

by Warren Berryman

BNZ Visa card fight

for airline acceptant

and the Commerce Com mission rates to t

The airlines did not like the pressure, the BMs Bank of New Zeidand's high. this so the Vista: handed attitude. And they did can get up to \$4: not like the BNZ's commission while the merchant rates for higher than those within a day or two

Then the National Bank got advantage werks into the act with its own Visa entertainment che card and a sales approach that the merchants. the airlines found far more weeks or sola; acceptable

The National Bank cut the travel and the commission rates demanded cards charge" by the Government-owned commissi BNZ nearly in half. But the airlines are still not

buying Visa card. There are still a few points to be attractive propers, negotiated. When the BNZ went to British Airways a year ago, it demanded a commission rate or National's sket or National sket or Nat

agents' commission

secure for Visa.

cards like Diners Club and

American Express have in-

basis.
The National Bank got a bit further with the airlines.

Their own offices of 2.75 per cent. Visn cards and is British Airways was happy ternational office is to accept Visa cords, but not kess commission ibit the BNZ. Visa eards drawn on -The airlines la London's Barclay Bank cost

British Airlines only 1 per cent local offices should Visu cards from the United agents accept vs. travel agents and from the custome. States were charging only So British Airways turned bwn the BNZ.
So did Singapore Al-11

when the BNZ tried to charge it 3.5 per cent. And Pan Am kept the faith against the BNZ seems. The National when it offered a 2.7 per cent commission.

Few individual travel agents contract. without the airlines agreement to pick up the commission tell would mean scheme would mean under the augic Bank Settlement processing works Broadlands commission tab would mean that they would have to pay the BNZ out of their 9 per cent Travel and entertainment

ternational arrangements with the airlines. When an agent accepts one of these cards the Broad airline pays the commission.
This is the sort of arrangement the BNZ hoped to The banks are negotiating with the Travel Agents Association of New Zealand, TAANZ members have been asked by their organisation not to enter into any agreement with the banks on an individual

cologists on the question "Can THE words were different but New Zealand Afford High Cost Cancer Medicine?" the time was the same when Gair will give the conference Health Minister George Gair spoke to Australasian some more of his music in the radiologists the other day.

opening address, but other sessions will be devoted to He questioned if the country considering the continuing technology machinery for care of cancer patients, to th cancer treatment. And said latest developments in the that while the machines had treatment of breast and other undeniable benefits, "even if types of cancer, and to cancer we could by some modern While most of the sessions -miracle eliminate all cancer

Newell, will address on

will be essentially technical. causes, the average life span Dr Derek Doyle, one of the 1 of New Zealanders would increase by about two years be present at the conference. will probably arouse con siderable public interest. specialists, among other

His special interest is care of the dying, a field which is only just being recognised here. exactly dancing to the Health with the opening of "hospices At New Zealand's biggest in some centres. and most prestigious cancer

Four hundred health meeting in September, the workers involved in cancer Professor of Community treatment and care are ex-Medicine at Wellington's pected at the biennial con-

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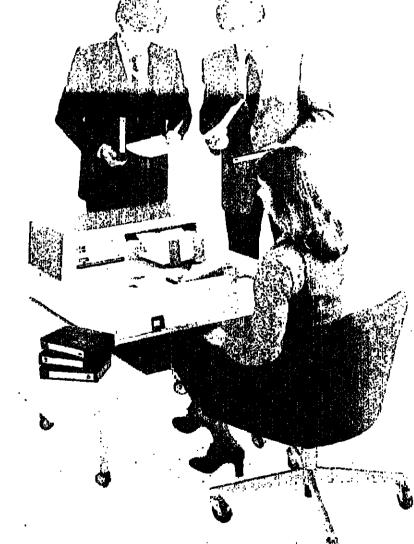
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5 m	KB\$76	3

## Interest rates grow as money growth slows

THE Reserve Bank is carrying out Muldoon's Budget threat to make things tougher for financial institutions. According to the Budget, tighter monetary policy is required to restrain growth in aggregate domestic expenditure over the

coming year.
Muldoon's election-year expansion of the economy was poorly timed.

The increase in aggregate demand did not generate employment or a higher level of private output. Instead, it spurred on inflation to even

Now his desire to control this inflation is throwing a spanner Muldoon's better ideas, sector grew by over 29 per With no controls, interest

rates have rocketed. And recent efforts to control the and the expansion of lending by financial institutions in order to bring domestic demand in line will cause interest rates to stay at their present high levels for some

Latest estimates by the Reserve Bank show that the money supply as broadly defined grew by nearly 20 per cent in June year 1979. The broadly defined money supply kept to between 8 (M3) accounts for all cent for this year. currency, cheque accounts. savings and fixed deposits the banks since domestic held by members of the public credit growth has not fallen in trading banks and other below 14 per cent since 1972.



THE ECONOMY

Private sector credit domestic lending excluding lending to the Government

As Table A illustrates, growth in the money supply and domestic and private sector credit has been higher than this during the 1970s. But wants to put the lid on credit growth before it reaches 43 per cent, the previous high rate experienced in 1973.

The banks have been warned several times over the past year to curtail their lending Recently, a credit growth guideline was set which stipulated that lending must be kept to between 8 and 12 per

This will be no easy task for During the June year, total reach record levels this year, accounts (time deposits). domestic credit (lending banks are worried that their within New Zealand) is customers will need to borrow asset ratios over the last 12 estimated to have grown by more just to meet their months for trading banks.

To show the banks that the Government really means business, reserve asset ratios for August have been set so that the allowance for banks' "free reserves" (free cash) has been cut from \$50 million to zero. Up until this year, banks were allowed to maintain "free reserves" of

Reserve asset ratios stipulate the proportion of deposits a financial institution deposits a financial institution is required to hold in cash, as deposits with the Reserve Bank or in Government securities. The financial system expands its business by lending as large a proportion of its deposits as is possible. The more it holds in reserve assets, the less it can lend.

Reserve asset ratios are set regulate growth in lending by twice been the same or lower in private sector credit the financial system. simply tries to ensure that credit growth remains stable. The reserve asset ratios are lower level of reserve assets. changed only occasionally for This situation has changed most non-bank financial institutions because their recently with many trading banks offering attractive

deposits do not turn over as

rapidly as do the deposits with

the trading banks. There are month time deposits. monthly changes in the reserve asset ratios of the trading banks. Two reserve asset ratios are set each month for trading banks. One covers chequing accounts (demand deposits) Also, with inflation expected to and the other covers savings

tighten up on lending, the reserve asset requirement for demand deposits has been lower in the last four months than it was earlier this year As Table B shows, in January 1979 the banks were required to keep 43 per cent of their Chart B illustrates reserve deposits in reserve assets while in August they were required to keep only 32 per The size of the reserve asset

ratio does not in itself give an indication of whether monetary policy has been cased or lightened. Ratios are changed monthly because the level of reserve assets that the banking system accumulates at any given time change markedly mouth by mouth as a result of seasonal influences.

RESERVE BANK . . . watch-

terms (1) per cent) for three-

Interestingly, although the

Reserve Bank is attempting to

What is important to a bank's lending ability is not so much the absolute level of reserve assets the banking time, but the level of "free reserves". "Free reserves" are the reserves held by banks over and above the level required to meet the official reserve asset requirements.

If reserve asset ratios were kept the same each month, the level of free reserves would alter for reasons unrelated with to the lending or the deposit policies adopted by the banks or to the policy in-tentions of the Reserve Bank

The main influences on the level of reserve assets of the banking system are government budget activities, Reserve Bank lending to the producer boards, and the public's demand for bank notes (dollars).

An injection of funds into the banking system (from export receipts or payouts to dairy farmers through the Dairy Board for example), will result initially in an increase in deposits or a decrease in lending if the money goes to pay off a loan. The cash deposited with the bank means that the banking system will also experience an increase in its reserve assets, if its other

assets remain the same. If there is a withdrawal of funds from the banking system, trading banks must dig into their reserve assets to make good a client's cheque in dollars or to lend dollars. In order to have the flexibility to meet increased withdrawals and satisfy the Reserve Bank

must have some "tree reserves" or reserve assets over and above its reserve like the reserves, the first reserve is the first reserve to the reserves to the r

reserves of reserve and above its reserve Bank is making hong asset requirement any expansion in leaft banks are balas to bank does not have banks are balas to banks are banks. when a bank does not have any tree reserves, it is toreed to borrow from the Reserve to borrow from th

Sank at penalty rates

Export receipts are exfail to maintain the remust admit that this is all selfpreted to fall in the September level of reserve as service. quarter, according to the New nothing else, this shock But most of the local worries Zealand Institute of Economic them responsible for following President Carter's Research This is one reason actions. why the Reserve Bank did not have to cause its reserve asset is to charge their out and the fact that restaurants ratio above 32 in August in higher rates of lates; can't lower the temperature will not help in below 26 degrees.
conomic growth and the consequences of reserves to zero. In practice, the reserve

sification of exports by America's energy efforts in of Government Budga; the next decade are likely to be asset ratio requirements have not previously controlled domestic credit expansion as courage new investig the rest of the oil-dependent much as the government requirements were first in would like Things have come troduced in June 1973, the to a head recently when other charging up to 16 peg there were several signals of reserve asset ratio relating to monetary measures have normal overdraftis; the reassessment to come, by the Reserve Bank to demand deposits has only failed to slow down the growth and many finance on days before Carter announced lending at nearer by the cancellation of lus first cent, firms are wh scheduled energy speech. than the requirement for time. Furthermore, despite fairly Usually, the Reserve Bank deposits. Since savings rapid growth in the money formwunless kills The retreat to Camp David deposits tend to be held for supply interest rates have not necessary that they be longer terms, growth in len- fallen but have continued to ding can be regulated by a rise.

are hardly likely to n Now, rather than ac torrow for risky to commodating the banks by vestment.

Table A: Money Supply Growth and Growth Total Domestic Credit 

wants to get more p world.

One way the banking to the loss of agricultural land

The Government is a good deal more serious for

With some banks is To Americans in the know,

was followed by the Hying in of

trusted advisers and thinkers

from their early summer

holidays and other activities

Those who arrived in the

'gaunt'' and spoke of the

His ability to contemplate

the problems which go much

deeper than the immediate

energy crisis thad been croded

by the "tyronny of events"

breaking away from routine

only with his court flatterers.

Presidents.

becomes clearer.

American dollar.

- and took - open comment.

first tew days found Carter

"spirit pushing the Hesh".

Year Ended December	Money Supply [M3]	Government Sector	Private Sector	Total û	
1970	9	4	19	- 1	
1971	7	ż	10	ı	
1972	16	13	15	j	
1973	26	12	43	Į.	
1974	4	6	22	3	
1975	10	22	11	y	
1976	17	15	24	:	
1977	13	11	19	- 4	
1978	21	n.a.	26	- ;	
1979  June Yea	ir] 20	u.a.	29	•	
-	•			_	

Table B: Reserve Asset Ratios₩ the last 12 months

RESERVE ASSET REQUIREMENT

Year	Mouth	Demand Deposit	Time Di
1978	Aug	17	121
11110		13	15
	Sept	1.7	15
	Oct		15
	Nov	[1	13
	Der	31	jš
1979	.fan	13	
	Feb	:19	15
	Mar	32	
	Apr	37	7
	May	17	2
	June	20	19 20
	July	27	45
	Aug	32	



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Probably the most worrying point about the whole energy reduced energy base (which is dan relates to the potential for the further generation of internal United States inflation.

President Carter announced just been taken up by the nonan expenditure programme of \$140 billion for the next decade, presidential candidate, Edto tackle the energy crisis. ward Kennedy, in his own Most of this was to go towards the costs of providing new From the President, there domestic sources of energy, has been no mention of federal housing standards from which, with significant but smaller amounts allocated to boosting by 1990, improved design of urban public transport serbuildings and modification of old ones could vices, to helping the poor cope with energy consequent sive a third of our current

This money, President save money, too, according to Carter said would all be raised Amory Lovins a young energy from the "excess profits tax" But much worse is to come in now imposed on "the oil the analysis of what has been companies."

If this windfall can be raised First, there is real doubt that from the "windfall tax", then life for the Carter ad-Carter's dramatic an date of his speech, was a the arithmetic substantiating billion dollars.

significant target for anyone. Oil company experts pointed out that, in their efforts to make up for the Iranian shortfall in the beginning of the year, so much was already under way that the which is the fate of all US requirement for the rest of the year is only 7,9mbd, at the

aiming to retain standards of

living but using a significantly

echnically feasible), has been

energy alternatives.

set in motion.

Thus the call to exercise restraint, could lead to stories by the end of the year of a new and growing surplus

Apart from his own abysmal Each time this happens, the standing in the polls, there was tragile sense of an energy a new shock to the American crisis, becomes harder to psyche. For the first time ever resurrect, interestingly, the oil he polls recorded the fact that companies also think that with majority of Americans the now accepted recession the believed that the next five annual oil import requirement years would be worse than the into 1981 will not exceed Add to this a calamitous

So Americans are not likely decline in faith in all to feel the crisis too strongly. significant American institutions, and the emise for at least its initial stages. What the massive insecurity is more probable, though, is the massive insecurity that it will feed inflation, not Carter apparently asked for thee, but twice; not just domestically, but and was psychologically open ternationally.

First, no one is confident to a wide range of people. So after all this advice, that the projected price of the thought and decision, what new forms of oil from shale and coal, will really be at the direction is America taking? level of \$25.30 a barrel. Given The most obvious international the fact that a production price reaction to the plans announced after the Camp David of twice the quoted figures is retreat has been seen in the possible, the basic reality is that each dollar above the all in the value of the existing Opec price, will be fully reflected (as a minimum) But the facts influencing this negative reaction have been

In new Opec prices. largely hidden by the dramatic As the whole scheme is designed to cater for existing nature of the Cabinet changes that immediately followed the levels of America conthird of Carter's energy speeches. Internally the purges (more reminiscent of "I Claudius" than modern demogratic America, clouded that all the oil companies now concede has passed its peak in

How? You own off the first problem is that the weeks every year for the first problem is that the 10 years at less that accommodation and inflation proof and implying the energy sho is capital outley! The first problem is that the adage has it that when America sneezes, the world capital outley! The first problem is that the two worry about. A well-known adage has it that when America sneezes, the world catches cold. So if inflation, far from being brought under work and they would be the first problem is that the two worry about. A well-known adage has it that when America sneezes, the world catches cold. So if inflation, far from being brought under work and they would be the first problem is that the two worry about. A well-known adage has it that when America sneezes, the world catches cold. So if inflation, far from being brought under work and the first problem is that the two worry about. A well-known adage has it that when America sneezes, the world catches cold. So if inflation, far from being brought under work and the first problem is that the two worry about. A well-known adage has it that when America sneezes, the world catches cold. So if inflation, far from being brought under work and the first problem is that the two worry about. A well-known adage has it that when America sneezes, the world catches cold. So if inflation, far from being brought under work and the first problem is that the only problem we have to worry about. A well-known adage has it that when America sneezes, the world catches cold. So if inflation, far from being brought under work and the only problem we have the world work and the only problem we have the world work and the only problem we have the world work and the only problem we have the world work and the only problem we have the world work and the only problem we have the world work and the only problem we have the world work and the only problem we have the world work and the only problem we have the world work and the only problem we have the world work and the only

worsens, the impact will be felt

total nutional energy use and problems, and other matters. EDWARD KENNEDY . . . advocates the JIMMY CARTER alternative energy course.

worked out

What is worrying is the fact that oil company estimates of the yield from the tax range nonneement that the United Ininistration will be easy. But from \$4 billion dollars to a States would import a no one in the Carter ad-maximum of \$5 billion, a year, maximum of 8.2mbd, from the ministration has yet said how or a maximum yield of \$50

open to a wide range of comment.

announced that he will try to rulse \$5 billion from the public

but taking the best possible figures this leaves a defleit of 985 billion which suggests that the plans are not thoroughly

From where will this not

Now President Carter has insignificant sum be drawn? And what impact will it have or

> start, and the absence of hard or realistic answers could berald a real worsening of the general energy and economic

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# formoratic America), clouded the energy debate, and stopped many of the facts less than avourable to Carter's plans from getting a full public level only problem we have

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